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INSIDE THE GOVERNMENT

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A gfiles NATIONAL INTEREST INITIATIVE FOR THE ATTENTION OF THE SUPREME COURT

How Praful Patel bankrupted India's flagship carriers to help favoured airlines and then asked the government for a Rs 50 billion bailout

PLUS

The Rs 98,000-crore land scam involving Mumbai and Delhi airports

0976-2906

Historic Decision of Haryana Government

Old Age Allowance Increased from Rs.300 to Rs.700

To respect our elders is our social and moral duty. Such values are deeply embedded in our culture and tradition. Old Age Allowance is aimed at upholding the dignity of our senior citizens.

Bhupinder Singh Hooda
Chief Minister, Haryana

- Those persons who have been getting Old Age Allowance from last ten years, to get Rs.700/- per month as Old Age Allowance.
- The amount of Old Age Allowance has been increased from Rs.300/- to Rs.500/-. There would be an annual increase of Rs.50/- per year in this and it would be reviewed every 4 years.
- A survey would be conducted every year to include fresh beneficiaries.
- A provision of Rs.501/- has also been made for giving shawls to women and 'pagri' and 'dogga' to men.

IPRDH/Samvad

gfiles
INSIDE THE GOVERNMENT

VOL.4, ISSUE 5 | AUGUST 2010

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NARESH Minocha's revealing report on the wheels within wheels of spectrum allocation policies is an example not just of confused policymaking but also of governance at its possible worst in an area that cuts across economic and social divisions in this country. One would have thought that almost 16 years after the launch of cellular telephony in India, our Ministries and regulators would have evolved model blueprints that would set world standards for emulation.

The technology divide that afflicts most of India because of the bane of unequal development and the deplorable below-poverty-line existence of so many of our countrymen and women is mercifully not the trademark of mobile telephony which is one of the few visible vehicles of inclusive growth thanks to the easy availability of affordable handsets and affordable call rates.

Sadly, however, this revolution has been marred by private greed and weak governance that has cost the national treasury dearly. The latest flap in the 2G spectrum allocation, as Minocha points out, has necessitated direct intervention from the Prime Minister's Office. The dominant operators that control the GSM technology-based cellular lobby platform, Cellular Operators Association of India (COAI), are hell-bent on derailing the regulator's (TRAI) recommendations designed to spur more competition while increasing money flowing into the government kitty.

TRAI's recommendations are like a Damoclean sword over the cozy relationship that has developed between dominant operators and the Ministers and bureaucrats who protect these oligopolies from real time and real world competition. The government is now hoist with its own petard. The powers-that-be would be hard put to defend double standards – one for 2G and the other for 3G. For the first time, the government decoupled licence fee and spectrum charges in the recent ascending e-auction for 3G and broadband wireless access (BWA) that fetched the treasury a whopping Rs 106, 262-crore revenue.

Sadly, the history of India's mobile telecom revolution is replete with instances of lost revenues thanks to the shenanigans of corporate lobbies. The revenue losses, Minocha reports, have occurred through post-tender policy and regulatory changes: repeated reductions in the licence fee, release of additional spectrum to influential players without bidding competition and extension of validity of licence periods.

For example, one development that virtually went unnoticed, happened over the years through allotment of additional spectrum to dominant CSOs such as Bharti and Vodafone Essar over and above the specified limit, and without resorting to any bidding process.

The loss of revenue to the government owing to licensing of 2G spectrum and UAS licences has been estimated at between Rs 60,000 crore and Rs 1,24,000 crore. The latter figure is an estimate of the Communist Party of India (Marxist), based on bids received for 3G spectrum.

The bottomline here is the indisputable premise that the airwaves are a public resource – they belong to the public. To quote Minocha: "The country's mobile telephone revolution is outrageously tarnished by the blatant foul play, fickle and messy governance, policy and regulatory manipulations by wheeler-dealers, crony capitalism, webs of litigations, and, last but not least, periodic shifts and swings in the government's priorities."

INDERJIT BADHWAR

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Cover Photograph: PIB

Such officers can effect change

Mr Bandyopadhyay ("Big Boss") is sharp and also means well as is evidenced in every answer to your questions. People like him can change the face of the government. My compliments.
Surajit Sanyal, *on blog*

Looking forward to the booklet about the rights and risks of investors! Will that be only in regional languages?
Dr Sarbani Mukherjee, *on blog*

Honest stock analysis

I have yet to come across such an honest stock analyst ("Stock Doctor"). His recommendations are indeed well analysed and take into account the downside... and he does not promote a certain group or company.
AK Jaiswal, *on blog*

Superannuation and babus

Why do bureaucrats start thinking like commoners after retirement only? They start writing and espousing causes the common man is always seen fighting for. Does this mean that they were unfair to the needs of the *aam aadmi* or they failed to comprehend what society expected them to do? Singing paeans of praise about their careers does not interest anyone in this country anymore. The extent of the scourge of depravity, the unreachable pedestal they perch on, and that despicable overbearance they throw around does not behove their pens dotting lines of words which have no relevance. The nation is really angry and they have failed it. How could a Commissioner in the MCD justify his posting when a thousand houses were built illegally? Why is there no action against him? There are more such examples but would bureaucracy accept their black deeds too?
Vinod Kapoor, *via email*

More on the CJI

Please give the powers and functions of Chief Justice SH Kapadia ("Mastermind", *gfiles*, June 2010).
Raman, *on blog*

I want the email id or the official website of the Chief Justice of India so that I can send him my queries.
Dipti Bhandari, *on blog*

Manmohan in chains

The good doctor ("From the Editor-in-Chief", June 2010) is hamstrung by the corrupt Congress party. He cannot move when he wants to without someone pulling the carpet from under his feet.
Kamalendra, *on blog*

In praise of Jung

Hats off to you, sir ("First Stirrings" [Najeeb Jung], *gfiles*, May 2010). We are proud of you and with our continuous efforts we can make Jamia a university of international repute.
Fahad Anwer, *on blog*

Back in Mughal times?

The Indian bureaucracy and Ministries have started resembling the Mughal army (*gfiles*, May 2010). The Jats used to loot stores just outside Delhi. Our leaders have grown fat and are likely to fail on the issues of governance like past rulers.
Var Ruchi, *on blog*

Congrats to *gfiles'* web team

I appreciate your web team that puts this up-to-date, informative magazine online and enables people to comment.
RL Mehta, *on blog*

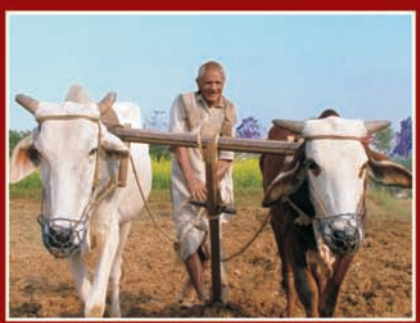
Community radio is great news!

I learnt about the barefoot community radio of Rajasthan (*gfiles*, March 2010) and was glad. I also want to know the various programmes being broadcast because I am a radio announcer and compere of different programmes.
Amulya Ranjan Sahu, *on blog*

Farmers' Interests - Top Priority

Sh. Bhupinder Singh Hooda
Chief Minister, Haryana

Increase In Rate Of Compensation For Land Acquisition A Pro-Farmer Decision



Compensation and Royalty On Land Acquisition

- Minimum floor rate of Rs. 15 lakh per acre as compensation for land acquisition for urban areas falling under Gurgaon Development Plan has been enhanced to Rs. 20 lakh per acre. Minimum floor rate of Rs. 16 lakh per acre has been fixed in place of earlier Rs. 12.5 lakh per acre for sub-urban areas of Haryana under NCR, Panchkula and Chandigarh periphery whereas for rest of areas of Haryana a rate of Rs. 8 lakh per acre has been fixed in place of earlier Rs. 5 lakh per acre.
- For those farmers of the State whose land has been acquired by Haryana State Industrial Infrastructure Development Corporation after March 5, 2005, the State Government has decided to provide a compensation of Rs. 15,000 per acre on per year basis for 33 years in the form of Royalty besides giving them fixed compensation. The same would be increased by a fixed sum of Rs. 500 per year.
- In case of land acquired to set up an SEZ, Technology Cities and Technology Parks, the annuity would be at the rate of Rs. 30,000 per acre for 33 years to be paid by the developers. The annuity would be increased by Rs. 1000 per year.

IPRDH

The daylight rape of

gfiles prayerfully brings to the Supreme Court's attention, in two parts, the inside story of how a national resource – as well as a powerful symbol of modern Indian ingenuity and enterprise in the public sector – has been systematically emasculated in order to pave the way for vested interests to dominate a vital segment of the Indian economy. In addition, we also document how, as part of a larger conspiracy, prime land worth Rs 98,000 crore belonging to the Government of India was gifted for profit to a consortium of vested interests in the name of "airport development".

For suo moto cognizance

THE HON'BLE SUPREME COURT OF INDIA AT NEW DELHI
(Extraordinary Civil Writ Jurisdiction)
In the Matter of

Citizens of India through gfiles
(A magazine on governance)
(Registered with Registrar of Newspapers for India)
Regn. No. DL Eng/2007/19719

VERSUS

Praful Patel
Minister for Civil Aviation
Govt of India
Rajiv Gandhi Bhavan
Safdarjung Airport, New Delhi
V Thulasidas, former Chairman & Managing Director,
and his team, NACIL (Indian Airlines & Air India)
K Ramalingam, former Chairman, Airports Authority of India
KN Srivastava, Joint Secretary, Ministry of Civil Aviation
Sanjay Narayan, former Joint Secretary, Ministry of Civil Aviation,
and now Director in MIAL
RK Singh, former Joint Secretary, Ministry of Civil Aviation
PS Nair, former ED, Airports Authority of India
Ajay Prasad, former Secretary, Civil Aviation

the public interest

Your Lordships,

This is not a polemic or ideological argument for or against free enterprise or competition or modernization. In India's growth story, these precepts carry intrinsic value. It is, rather, the shameful tale of how a Union Minister, Constitutionally sworn to protect the interests of the Indian state, has instead been a prime mover in what we can only describe as its plunder.

What is sad is that this ransacking has taken place in full public view, complaints and protest notes based on public documents and actions have been filed, and yet the Minister has escaped from being held accountable. Your Lordships, we believe that because the Constitutional instruments have failed to implement basic checks and balances that are designed to safeguard the national interest of our Republic and to protect its Treasury against profligate mismanagement, we have no choice other than to ask for judicial intervention and activism in order to restore the sanctity of balance in governance.

SHARAD SAXENA

Patel: will he answer the questions?

Without delving into circumstantial conjecture or suppositions – but based on documented verification – we have compiled, for the first time ever, a comprehensive record of how Civil Aviation Minister Praful Patel – a former director of Jet Airways, with whose owner he still has cherished relations – first systematically bankrupted India's national flagship carrier, Indian Airlines, and paved the way for Jet Airways to acquire primacy, and later approached the Government of India for a Rs 50 billion bailout from taxpayers' money to keep afloat the very airline he had so tactfully destroyed.

PART-I

DELIBERATE DESTRUCTION OF A NATIONAL RESOURCE

THE destruction of Indian Airlines, as we will demonstrate, was craftily calibrated with the connivance of bureaucrats who are supposed to be the steel frame of protective governance. In the name of "privatization", "modernization", "open skies" and other such buzzwords and mantras, Indian Airlines, in a series of moves, was deprived of its revenue sources through unreasonable and unviable fleet expansion, budgeting, cutting off commercially viable international routes in the garb of "route rationalization", unjustifiable leasing arrangements, quietly opening passages for foreign airlines on profitable sectors, siphoning off baggage handling activities to other conglomerates, and destroying the Indian Airlines brand by first obliterating its 50-year-old logo after renaming it "Indian" and then by merging it with the unviable Air India.

In short, Mr Patel ensured the annihilation of the Indian Airlines brand by a virtual obliteration of a level playing field for Indian Airlines.

We back this conclusion with the following facts:

- Mr Patel, the former Jet Airways director-turned-politician,

took oath as Civil Aviation Minister in May 2004. (His personal fortune as a businessman is valued at Rs 1,500 crore.) At that time Indian Airlines was earning a profit of Rs 65.61 crore (source: Government of India Press Release dated December 26, 2005). Four years later, on November 11, 2009, NACIL (the company formed after the merger of IA & AI) declared a post-tax loss of Rs 5,548.26 crore! Mr Patel informed reporters on November 12, 2009 that the airline would have to generate Rs 20 billion through cost cuts and revenue gains.

- When Mr Patel asked the Government of India to pump in an equity of Rs 5000 crore, every frontal union of workers of the newly formed NACIL wrote strong letters of protest regarding the decisions that led to the seeking of the bailout and merger of Indian Airlines with Air India. They included Air Corporations Employees Union (wrote on 23.06.09); All India Cabin Crew Association (wrote on July 21, 2009); Indian Commercial Pilots Association; All India Aircraft Engineers Association; Indian Airlines Officers' Association; Airlines Ground Instructors Association and Airlines Radio Officers & Flight Operations Officers Association.
- Their letters, addressed privately to the Prime Minister of India and top politicians and rulers of our country, fell on deaf ears.

HOW THE DAMAGE WAS DONE

1. Ramping up the premerger AI fleet acquisition plan from 24 to 68 aircraft to bankrupt the airline

- This one act shows how Mr Patel systematically began his agenda to ground the national carrier.
- Air India's original fleet plan was for 24 aircraft to be inducted over a five-year period. This was suddenly enhanced to 68 aircraft within a period of 24 weeks, with a change of aircraft from Airbus to Boeing, including induction of an aircraft that was still on the drawing board (the B787). The Ministry of Civil Aviation as well as Air India's Board ignored the fact that they were burdening an airline that has a turnover of only Rs 7,000 crore per year with an aircraft order worth Rs 35,000 crore. Air India was expected to service a debt and interest repayment of Rs 6,000 crore annually for the purchase, an outgo of 86% of its annual turnover.
- Where then would the resources for essential expenditure come from? Why was the decision regarding such huge purchases taken even without a full business plan and informing the Cabinet? Who initiated this move? Why was there no inquiry into how Air India would bear the burden of these new aircraft?
- Why was the decision shifted from Airbus to Boeing (B787, which was at drawing board stage)? This has never happened with any airlines in the world – placing an order for an untested aircraft.
- Will Mr Patel inform the nation of any revenue plan for the induction of 68 Boeings? Can he deny that this is one of the main reasons that the airline is now reeling under a working capital deficit of Rs 15,000 crore?

2. Giving disproportionate access to/from India to foreign airlines

- Between 2004 and 2009, the Ministry was very liberal in the exchange of bilateral entitlements with many countries. It is alleged that in order to support the international operation plans of Jet Airways and Kingfisher Airlines, entitlements far in excess of the actual traffic demand on many routes to/from India were exchanged with many countries. The increase in traffic entitlements benefited mainly foreign airlines, and they were quick to capitalize on the Indian air travel market, increasing their seats from around 35,000 to 90,000 per day over the past four years or so. Airlines of many countries were fully utilizing their entitlements prior to the economic downturn. Comparatively, on the Indian side, Air India and Indian Airlines could only marginally enhance capacity while Jet Airways deploys only 12,000 seats per day on international routes.
- The revenue earning opportunity was thus skewed heavily in favour of foreign airlines, allowing privileged private Indian operators to fly international routes.
- Air India and Indian Airlines' international market has also

To support international plans of Jet and Kingfisher, entitlements far in excess of the actual traffic demand on many routes to and from India were exchanged with many countries.

Jet's Goyal with Kingfisher boss Mallya: the beneficiaries

been opened up to competition from certain favoured Indian private airlines. A propaganda campaign was started during Mr Patel's tenure that Al and IA were not fully utilizing the bilateral entitlements available to the Indian side, and hence private airlines such as Jet Airways should be allowed to operate international services.

◗ What was conveniently glossed over was the fact that Al and IA were operating services to places where demand existed, such as Dubai, Sharjah, Singapore, London, US, Canada, and so on. The only real constraint that AI and IA faced was lack of aircraft capacity to be able to ramp up services to important markets. However, instead of clearing Al and IA's long-pending aircraft purchase plans, the ground was allegedly laid to allow Jet Airways to commence international operations. On its part, Jet Airways commenced operations on commercially viable routes – to only those established destinations which were already linked by AI and IA!

◗ The permission to Indian private airlines to operate international operations was also structured in such a manner that it favoured Jet Airways. Criteria were decided such that, apart from Jet Airways, only Air Sahara (which Jet Airways eventually acquired) qualified to operate international services, keeping the other domestic airlines at bay for a period of 3-4 years. Also, the move to allow Jet Airways to operate international services was further supported by the Ministry of Civil Aviation, by granting capacity entitlements to operate flights to London. The processes were put in place in a great hurry to enable Jet Airways to commence operations to London just a few days prior to their IPO which made Jet Airways owner Naresh Goyal a richer man than he already was.

◗ The complicity was so blatant that Jet Airways applied for slots in Singapore and London within the first month of Mr Patel's tenure at Rajiv Gandhi Bhavan (a fact reported in newspapers in June 2004) – a full six months prior to the Government of India announcing the change in policy, permitting private airlines to fly on international routes, in December 2004.

◗ This policy change ostensibly emanated from the Naresh Chandra Committee report. Strangely, this is probably the single instance when the Ministry of Civil Aviation tabled and the GOI adopted just one single recommendation out of an entire policy document. Interestingly, the draft Civil Aviation Policy which was framed in 2004 is yet to see the light of day.

◗ It is also alleged by the All India Airlines Retired Personnel Association (AIARPA) that start-up airlines such as Air Arabia of Sharjah have in fact gained significant market access with Mr Patel's support, simply because they appointed his long-time friend and hatchet man, Deepak Talwar, as their GSA in India.

Patel (in white) with Jet chief Goyal: old buddies

Permission to private airlines to operate internationally was structured to favour Jet Airways.

3. Establishing more private operators in the domestic market

◗ Mr Patel actively encouraged private players to set up shop in India, ostensibly to unleash the potential of the Indian market. Starting with Air Deccan, we have had a number of so-called low-cost carriers operating in the Indian domestic market at yields that are unsound, leading to a sick Indian airlines industry. As a result, the domestic market share and revenues of Indian Airlines and Air India from domestic operations have shrunk, adding to the woes of the airline.

◗ Simultaneously, demands were placed on Air India and Indian Airlines that necessitated their curtailing operations on many routes – favouring the private carriers. For instance, Air India was made to withdraw its flights to Los Angeles as well as the Mumbai-Doha, Delhi-Dhaka via Kolkata, Hyderabad-Singapore and Delhi-Hong Kong services. Its domestic operations from Kolkata to Jaipur and Ahmedabad, Chennai and Kolkata to Bhubaneswar, and Kolkata-Hyderabad also had to be withdrawn. The withdrawal and delay of operations by Air India was subtly enforced just before Jet Airways commenced operations to some of the international destinations. For instance, Air India suddenly postponed operations from Amritsar to Toronto in August 2006 to facilitate the launch of the Jet Airways flight on the same sector. Can Mr Patel inform the nation why it was done? What was the necessity?

4. Fallacious premise of the merger

The selection of Accenture was cloaked in secrecy in the Ministry. Stakeholders from Air India and Indian Airlines were neither involved in the selection process nor in the delib-

Increase in traffic entitlements benefited foreign airlines, and they were quick to capitalize on the Indian market.

erations of Accenture during the build-up to the merger. Accenture is guilty of simply pushing the Minister's agenda for merger as he needed to show the world that he was doing something for the national carriers also, after having craftily robbed them to benefit other airlines, especially Jet Airways.

The merger enabled him to make the spurious claim that he had strengthened Air India by merging it with Indian Airlines to enable them to take on the competition.

As per the allegation of AIARPA, Accenture had identified a number of "imperatives of merger". The details show how Mr Patel systematically destroyed the national carrier.

The Justification: An integrated international/domestic footprint, significantly enhancing attractiveness to customers and allowing easy entry into one of the three global airline alliances.

The Facts: It is not understood as to how a merger of two airlines that were already making losses could be based on specious arguments such as these. Attractiveness to passengers comes not just from an airlines' reach or size, operational issues such as image/perception, track record, service levels, etc. form a major part. The fact that Air India has been suffering from an extremely poor image and is virtually passengers' last choice, especially on international routes, was conveniently overlooked. Also, entry into global airline alliance cannot be an objective for any airline, as has been claimed by Accenture to justify the merger.

The Justification: Parking bays and landing slots in an "infrastructure constrained" environment.

The Facts: It is again not understood as to how the merger would increase availability of parking bays and landing slots for the merged airline, unless it was envisaged that there would be shrinkage of operations in the merged entity, thus releasing bays and slots which would naturally then be available to Air India's competitors.

The Justification: Potentially enable merged airline to command better valuation.

The Facts: Valuation of an airline is defined primarily by its route rights, its future revenue earning potential, its current ownership, labour policies & IR/HR status.

In Air India's case, the international route rights are no longer the preserve of Air India, having been opened up to other private airlines.

Given the fact that the minister had systematically pawned AI and IA's silver and thrown Air India and Indian Airlines together in a cauldron of chaos, it is hard to understand how the merged entity would manage a better valuation.

5. Destroying the Indian Airlines brand to allow private airlines to dominate the domestic market

Indian Airlines was always a strong brand with many positive attributes. Year after year, Indian Airlines was the only airline brand to be included in the top 25 brands in the *Economic Times*' annual *Brand Equity* Most Trusted Brand survey, regarded as one of the most reliable indicators of a brand's standing and equity in India. In 2003, 2004, 2005, Indian Airlines was first the unexpected dark horse to win and then the expected trusted brand. Strangely, in 2007, when the Indian Airlines brand ceased to officially exist, it still found mention in the survey.

Yet the Minister chose to re-brand Indian Airlines as Indian with a nameless logo, despite the fact that the merger was already around the corner. Indian Airlines was forced to spend a fortune on the re-branding, a cost which was re-incurred when the airline merged with Air India. Can Mr Patel tell the nation how much public money was spent on redesigning his fantasy?

Indian Airlines' identity was systematically obliterated to give Jet Airways a clear run in the domestic market. The merger forced Indian Airlines to market itself as Air India in the domestic and Gulf markets where the Indian Airlines name commanded a premium. Instead, a new entity – Air India Express – was forced in. It had neither Air India's international reputation nor Indian Airlines' trustworthiness but was a characterless, unreliable airline with no back-up support, headed by a retired General Manager.

The decision to merge Air India and Indian Airlines was taken knowing full well that mergers take at least three-four years to settle and that the entities become vulnerable in the marketplace during this time. The timing was significant

since Jet Airways was taking off in a big way on the international routes and Kingfisher Airline needed to establish itself first in the domestic and then the international arena.

This act of the Minister shows that he systematically opened up Indian Airlines and Air India markets to unfair competition. At the same time, Mr Patel ensured that the two airlines placed orders for aircraft that they could not service. In order to cover up the fact that he had stripped the national carriers of their markets and had saddled them with massive losses, Mr Patel conjured up the merger of Air India and Indian Airlines. The merger of the two airlines, each with a distinct ethos and work culture, became the Minister's panacea for all ills that plagued them and was undertaken ostensibly to strengthen them despite knowing well that the merger would be chaotic for the initial couple of years at least.

6. The ingenious sale and lease back of fully depreciated aircraft of Air India and Indian Airlines

Air India has entered into sale and lease back of eight A320, three B747 and four A310 aircraft during 2007-2008. The sale and lease back transaction essentially involves sale of an aircraft to a lessor or foreign financial institution in consideration for an upfront amount to shore up revenues with an attendant agreement to lease back on dry lease basis for a specific period, at a fixed monthly lease rental (or EMI in simpler terms). At the end of the lease term (about 70 months in Air India's case), the aircraft is returned to the lessor in a condition agreed upon. During the lease period, the airline continues to operate the aircraft and incurs all operating expenses.

In addition, even after the aircraft purchase order was placed, a case was made out for Air India to lease capacity to meet its requirements till the new aircraft were delivered. Accordingly, AI leased eight B777s at very high rates without even having pilots to fly them. As a result, five leased B777s stayed grounded for months together. The number of non-operational B777s would have been higher but for the fact that A310 pilots were pulled out for training to fly the B777. However, as a result of this move, three leased A310 aircraft also had to be grounded. Why was this decision taken? Can Mr Patel reveal how much of taxpayers' money was paid to lease these aircraft?

Including insurance and mandatory modifications as if the aircraft is on dry lease, the lease rental effectively covers the repayment of capital (upfront amount paid to the airline) and the cost of capital. The resale value is realized by the lessor.

The sale and lease back effectively means asset stripping to finance revenue expenditure – a back-door sale. The airline commits to pay lease rental and maintain the aircraft in an agreed manner, without any claim to the residual value of the aircraft. There is usually an unspecified – no capping, open-ended liability to return the aircraft to the lessor in the agreed condition on expiry of the lease term. Airlines usually need to incur significant expenses on this account so that return conditions are met. If operating margins to meet the lease rental and residual values are not realized from operations of such aircraft, the transaction is financially unattractive to the airline.

Can the Minister answer the following questions?

- Why was this methodology adopted when, clearly, these options were never exercised earlier due to the reasons explained above?
- Why was AI's sale and lease back transacted when the airline was experiencing low fleet utilization, low load factors, cash losses on 70% of services and especially when brand new aircraft were arriving at the rate of one or two every month?
- Why did AI sell and lease back 20-year-old fully depreciated aircraft, with an out-of-production engine, instead of removing these high operating-cost aircraft from its fleet?
- Was any study conducted to see whether these aircraft were at all needed?
- Why was the entire process hurried through to meet a March 31, 2007 deadline?
- Is it a mere coincidence that the "investee" who was in regular contact with Air India bagged the deal, through a competitive e-auction at a rate known/discussed with Air India's finance department?
- Can the then CMD be asked to explain why there was no mention of the sale and lease back proposal in the briefing to the Board of Directors on the need and process to raise additional funding?

Air India's original fleet plan for 24 aircraft was suddenly enhanced to 68 aircraft within a period of 24 weeks.

7. Creation of Air India Express – the biggest hoax in Indian aviation history

Mr Patel ensured that Air India set up a low-cost carrier to operate on the lucrative India-Gulf and India-Southeast Asia routes – routes that were well served by both Indian Airlines and Air India and were reportedly the most profitable ones for at least IA. Both Air India and Indian Airlines became losers: Air India because of ceding routes to Air India Express, with lesser revenues being earned as Air India Express operates on the low fare principle; while Indian Airlines lost overall revenues as it had to reduce fares to match Air India Express fares and other LCCs (Low Cost Carriers) such as Air Arabia that entered these markets.

Air India Express was launched amid consternation in both camps – erstwhile AI managers in the Gulf feared a dip in their yields and a lowering of overall revenue, while erstwhile IA managers in the Gulf feared competition from another narrow-body fleet running on similar principles, owned by a common owner.

The Minister has to answer and also get the then Chairman to reveal the true story of Air India Express, which was touted as the success story of the new Air India – lowest fares, highest load factors, high seat factors, reliable operations and profits every year.

The Minister must answer serious questions for the public:

- What was the logic in launching Air India Express?
- Air India Express was launched as a Low Cost Carrier on the standard LCC premises – only internet bookings, no meals, no agents and therefore no commissions. Yet it offers meals and even in-flight dutyfree, and sells through agents as well as consolidators very openly. It has a tie-up with the Minister's friend, Mr Deepak Talwar. Who gave him the contract without tenders and proper bidding?
- How did Air India Express decide to lease the B737-800 without competitive bidding?
- Is it again a mere coincidence that Air India Express later decided to purchase 18 B737-800 aircraft? How was this figure arrived at?
- Why is it that Air India Express operates – in most cases – flights at around the same timings as Air India on the same routes, at significantly lower fares? Isn't Air India Express competing with its parent company?
- Even two years after merger, why are the schedules of Air India Express and Air India not aligned?
- Is there a transparent transfer pricing mechanism between Air India and Air India Express that has been followed consistently?
- Have the books been manipulated to show profits for Air India Express?
- Has Air India Express ever achieved its projected aircraft utilization?
- Does Air India Express have a system of compiling figures for on-time performance, passenger carriage, revenues, etc?
- How has Air India Express been allowed to take passengers booked as passengers travelled? Or is it booking fictitious revenues? If so, why? Just to keep the leased aircraft going?
- How is it that there is only one person who is capable of being the COO of Air India Express and he gets an extension beyond retirement age when there is no dearth of able officers in Air India to take on the job? Is it a reward for past favours?
- Air India Express has, however, served one key purpose – it enabled the lease of a number of B737-800 aircraft and also the expansion of Air India's aircraft purchase plan to include 18 B737-800 aircraft for Air India Express. Air India Express also chose to induct B737-800 aircraft from Day 1 without following the normal aircraft selection process.

8. Robbing AI and IA of their existing revenue streams from ground handling of other airlines and also from their then existing commercial agreements

The Ministry forced AI to spin off ground handling activities into a joint venture with SATS, further forcing the airline to transfer all ground handling (for other airlines as well as own flights) to the JV. Pre-merger, and prior to the creation of HIAL and BIAL, AI was earning Rs 600 crore and IA was earning Rs 380 crore annually from ground handling. Not only have AI and IA lost this amount, AI is now expected to pay the JV company for handling of its own flights. The future of employees transferred to the joint venture is uncertain.

Apart from robbing AI and IA of their ground handling revenue, the Minister has also ensured that the merged airline loses the revenues it earned from commercial agreements with foreign airlines. These agreements were instituted by earlier governments to ensure that AI and IA derived some benefits from one-sided grant of entitlements and operations by foreign airlines. The institution of such agreements in bilateral agreements with other countries also recognized that AI has not been able to add new aircraft for many years owing to delay in obtaining requisite approvals from the government.

Along with the opening up of the Indian international market to private Indian airlines, the Ministry took a decision to phase out all such commercial agreements within 3-4 years.

9. What has been outlined above can be documented in detail

There is ample reason to deduce that Mr Patel has spearheaded nothing short of a carefully calibrated conspiracy to deprive the nation of a national asset in order to siphon off a portion of the national wealth to co-conspirators through strong-arm tactics, deceit, diktat and devious legerdemain for which the taxpayers have had to pay a heavy price.

PART-II

THE Rs 98,000-CRORE LAND SCAM

ON the surface, these appear innocuous, unrelated figures: Cost of land at Mumbai and Delhi airports at market value – Rs 98,000 crore; cost of construction of new airports at Mumbai and Delhi – Rs 14,300 crore.

But, placed under the microscopic scrutiny of investigative reporting, these numbers bespeak a horror story of how the Ministry of Civil Aviation under Mr Praful Patel brazenly gifted India's most expensive public real estate to private consortiums under the government's so-called "airport modernization" programme.

The beneficiaries of these sweetheart deals, which would have been denounced under accountability and anti-corruption laws in most responsible democracies, are laughing all the way to the bank with a Rs 83,000 crore booty. The beneficiaries: GVK Power & Infrastructure and GMR Industries, cleverly disguised in public-private partnerships. The benefactor: Minister Praful Patel.

In January 2006, consortiums led by GVK and GMR and comprising Airport Company South Africa and Bidvest and other allied companies were awarded the work to operate, develop, design, construct, upgrade, modernize and manage

AAI conducted no price survey or evaluation of the land before entering into identical agreements with GVK and GMR.

Chhatrapati Shivaji International Airport (CSIA) and Indira Gandhi International Airport (IGIA) on land owned by the Airports Authority of India.

The details, as pieced together by *gfiles*, add up to a sordid tale of nepotism and a fraud on the public treasury perpetrated bald-facedly by Mr Patel and conniving senior officials in the teeth of serious reservations voiced on the record by dissenting officials who believed that the public interest was being sacrificed at the altar of vested interests out to make a free killing.

Consider the following facts:

- Shockingly, the owner of this invaluable land (the per unit value of which is possibly the highest in the world) – Airports Authority of India (AAI) – conducted no price survey or evaluation of the land before entering into identical agreements with GVK and GMR. At the time, the land was being used on lease by the National Aviation Company Ltd (NACIL), formed after the merger of Air India and Indian Airlines in 2007. Even more shocking is the fact that when the new airport comes up at Navi Mumbai in 2014 and the existing CSIA becomes redundant, GVK will become the owners of this land automatically as per the Companies Act. Surprisingly, there is no mention in the agreement with Mumbai International Airport Pvt Ltd (MIAL) of whether the company will be dissolved and the land will be repatriated to AAI.
- Had the land evaluation been carried out by experts and the land sold or even given on lease to GVK and GMR, the revenues generated could have easily wiped out the entire debt of the merged IA and AI, instead of burdening the national exchequer with a Rs 50 billion bailout plan.
- MIAL and DIAL (Delhi International Airport Pvt Ltd) are joint-venture companies owned by the GVK- and GMR-led consortiums, respectively, each with 74% share while Airports Authority of India has 26% share. Formed in March 2006, MIAL and DIAL were to operate, manage and develop CSIA and IGIA, respectively. By this simple incorporation of MIAL and DIAL with AAI as a minority shareholder, GVK and GMR de facto became the instant owners of India's prime

landed property at Mumbai and Delhi. All that GVK and GMR had to do was shell out a trifling $1.2 billion (Rs 5,500 crore) and $2.6 billion (Rs 8,080 crore), respectively, for construction, development and management of these airports.

Under this land transfer arrangement to MIAL and DIAL, GVK and GMR earned instant assets of Rs 83,000 crore. Land value: Rs 98,000 crore. GVK and GMR investment: $1.26 billion and $2.6 billion, respectively, totalling Rs 14,300 crore. Not only were GVK and GMR able to pump in the $1.26 billion and $2.6 billion of their commitment from this asset that fell like manna, they also began amortizing its outlay through lease fees and operational costs charged to different airlines.

The alacrity and rapidity with which the deals were allegedly consummated by Mr Patel probably set a record in the annals of ministerial and bureaucratic decision-making in India where papers do not move for months. The Rs 83,000-crore bonanza scheme for GVK and GMR was rammed through in record time. Those present at the first meeting on October 4, 2007 to implement the whole idea were the Joint Secretary, KN Srivastava, Chairman, Airports Authority of India, K Ramalingam, CMD, NACIL, V Thulasidas, the Secretary, Civil Aviation, and representatives of MIAL and DIAL. The proceedings of the meeting (of which *gfiles* has a copy) were pre-orchestrated. With minor suggestions/objections, all discussions went as per the Minister's wishes. The GOI's safeguard tools (read bureaucrats) were in mute mode.

Among the few conscientious objectors was the General Manager, Legal, Air India, TN Kumar (now deceased). He had initially penned adverse comments on the file. In addition, a year after the deal was inked, he emailed Executive Director R Harihar (06.06.2008) to point out that the language of the Memorandum of Understanding (MoU) was cleverly weighted against the interests of NACIL. The draft MoU stated, "Parties have agreed that a Master Plan is to be developed to accommodate all Existing NACIL facilities at Old Airport, New Engineering Complex and other locations at Chhatrapati Shivaji International Airport (CSIA), for this purpose areas of the various existing facilities shall be mutually finalized between the parties and the Architect to be appointed and paid by MIAL. Areas shall be rationalized without affecting requirements of NACIL as per Master Plan of NACIL."

PIB

Patel with advisory council: follow the leader

The alacrity and rapidity with which the deals were allegedly consummated by Mr Patel probably set a record.

GVK Group, builders of Mumbai International Airport

"A century ago, Jamshedji Tata was like me. But, I cannot say I will become like the Tatas tomorrow. It takes time to grow. If we have ambition, the sky is the limit," said GVK group chairman GVK Reddy. He started his career at the age of 22 as a small-time contractor building the Nagarjuna Sagar-Srisailam canal works. Today, at 76, he owns an empire of over $5.24 billion (Rs 25,000 crore). GVK reckons that the Mumbai International Airport is the most difficult airport to build as it has only 2,000 acres of land, unlike the newer airports which are much bigger in area. His company's board of directors consists of Abid Hussain, former Indian Ambassador to the US, G Krishna Murthy, Sanjay Narayan (Joint Secretary, Ministry of Civil Aviation, when the airport planning and sanction meetings were on), KN Shenoy, P Abraham and Pradip Baijal.

Kumar pointed out that there should have been mention of specific areas and, as decided by the CMD, future requirements for the next 10 years should have been configured. He added: "Airport development needs to be defined. This term is so vague that it could include the best facilities for our competitor airlines at favorable locations to those airlines and again to the detriment of NACIL. Airport development can be the taxi ways or essential operational requirement." Nobody listened.

But Kumar was no quitter. He further pointed out that NACIL had never agreed to the relocation of the existing simulators, yet this had been conceded and presented as a *fait accompli*. Who authorized this extra-legal benefit that went against the interests of India's national carrier?

Even more shocking was that land valued at Rs 3,000 crore and belonging to NACIL within the airport complex was also surrendered to the consortium. Kumar noted in dissent: "Regarding Para D (2) (C)...we have already agreed that the land belongs to NACIL and we have already got an opinion from M/s Bhasin & Company that NACIL becomes the owner of this land by way of adverse possession. In spite of this, it is

GMR Group, builders of Delhi International Airport

GMR Industries was set up in 1978 and was the brainchild of its present Chairman, Grandhi Mallikarjuna Rao. GMR Industries is among the fastest growing companies in the Indian economy. Rao was ranked 198th in the "world's richest" list of *Forbes*, and his wealth was valued at $2.6 billion. He is 14th on the "India's richest" list. Rao, who started with jute mills, expanded the GMR group into the energy and infrastructure sectors. In 2007, the GMR group won a bid to privatize India's third busiest airport, the Indira Gandhi International Airport. He spent $1 million on his bid and made a deal with Fraport AG to support his bid. The GMR group has also completed a $200-million Hyderabad Airport project. In April 2009, he was linked with a £500-million takeover of Liverpool FC. He owns the Indian Premier League cricket team, Delhi Daredevils.

surprising that you have conceded indirectly to surrender this nearly six acres of Land which as intimated would have an approx. market value of Rs 3000/- crores."

- Paragraph F of the MoU states that MIAL shall bear the cost of facilities/buildings as per details given to NACIL, including cost of air conditioning (wherever existing facilities of NACIL being relocated have similar facilities), electrical installations, data cabling, and so on. Cost of interiors, soft furnishing and furniture shall be borne by NACIL. Kumar questioned why NACIL should spend for interiors when it already had interiors. This spending would benefit only MIAL.
- Paragraphs G & H, Kumar pointed out, were at total variance with what had been agreed to earlier. He wrote sharply: "I am totally disagreeing with what has been drafted by you in Para G & H. We had already agreed that the license fees/lease amounts would continue to be the same and will not be enhanced by MIAL. This is in view of the fact that the AAI had fixed some rate and NACIL should not be subject to increases as MIAL has earlier done in respect of vehicles where they have increased amounts in multiples of 20 and 25. This is minimum protection that NACIL can expect for the tremendous inconvenience that NACIL is going to suffer in future in the relocations etc. Further what has been stated by you is not in line and spirit of what has been agreed by the committee and so recorded." The question that begs an answer from Mr Patel: How much did NACIL lose to MIAL by increase of lease rates?
- Kumar summed up the systematic financial rape of the national carrier, guaranteed to deepen its fiscal ruin and place additional burdens on the national treasury. He could not have been more blunt: "As land is a crucial factor, we need to look at the issue that we as a national carrier can face in the event of the land being taken away from us by MIAL towards development of the airport and in the process offering the same to us on lease at astronomical rentals detrimental to our interests, especially in these difficult times when we are incurring heavy losses due to global recessionary trends.

"While we are supportive of MIAL's expansion plan for a modern airport, as a private player MIAL has a monopoly over airlines and therefore a right to demand a higher price to optimize its commercial deals. As a national carrier we need to fulfill the social obligations of the Government of India and also face the stiff competition from other airlines.

"Being one of the important parties to whom the Airports Authority of India has been leasing their vast lands for over several decades for our use and to take it away without adequate compensation should not be a cause for criticism at a later date which needs to be examined in toto. Especially so, if land is being used for building of malls, hotels etc other than for airport development, in which case a share of the proceeds needs to be negotiated to be paid to us as our rightful share."

- MIAL has indicated that should the GOI's stake in NACIL fall below 50 per cent in case of disinvestment, it would charge NACIL prevailing market rates for use of the airport's facilities. Likewise, NACIL should, by right, have been given a share in revenues from MIAL's development of malls, hotels, and other commercial ventures at the airport. But Mr Patel did not take this into consideration. g

PRAYER FOR JUSTICE

1. Praful Patel should be prosecuted and asked to publicly answer the questions posed in this petition.
2. Praful Patel's personal properties and Rs 1,500-crore empire should be held in escrow by the government until the nation is satisfied with his reply so received.
3. If found guilty, Praful Patel should be imprisoned without bail to set an example for other Ministers not to treat the national wealth and national assets as their personal milch cows.
4. All the concerned officials from the Ministry, NACIL and AAI should be punished with imprisonment and all their assets should be confiscated and handed over to the nation.

Chauhan's astute move
tackles belligerent minister

IN BJP-ruled Madhya Pradesh, politics is known to be volatile. Chief Minister Shivraj Singh Chauhan appears to be in command yet, at the same time, it's hardly smooth sailing for him. Chauhan is currently facing two enormous challenges. The first is the prospect of the return of Uma Bharati. This is a spectre that always haunts him, though, by simply returning, she will hardly leap into the Chief Minister's chair.

The second challenge is posed by his firebrand Cabinet colleague, Kailash Vijayvargee, Minister for PWD and Energy. Vijayvargee hails from Indore, possesses considerable clout and is a direct threat to the Chief Minister. However, Chauhan has mastered the art of keeping Vijayvargee reined in. Rather than directly confronting him, Chauhan reportedly ordered the arrest of his supporters in Indore. This has kept Vijayvargee busy in bailing out his supporters.

Plain living in Rashtrapati Bhavan
patil's simple ways

PRESIDENT Pratibha Patil has a simple lifestyle and, what is more, is content with it. However, whenever and wherever she travels, a huge team of officials accompanies her. The team comprises ADCs, doctors, PAs, and peons. Ahead of the visit, a complete itinerary is sent to the destination. Along with it is despatched a list of items required for the President during the visit. Patil is apparently very cautious about food and avoids eating anything not cooked by her personal cook.

Recently, when she visited western India, the list of items sent to the state government included peepul, tulsi and banana trees. Before beginning her day, the President performs *jal abhishekam*. After that, she has breakfast cooked in ghee.

Muttemwar plays mediator
soothes ruffled mps in goa

VILAS Muttemwar, MP from Nagpur and Chairman, Committee on Food, Consumer Affairs and Public Distribution, recently displayed his skills as a seasoned politician. He was part of a parliamentary delegation that visited Goa to survey the Public Distribution System in the state. A dinner was hosted for the delegation by Jose Philip D'Souza, the Minister for Civil Supplies, Factories and Boilers. However, though all the arrangements were impeccable, the host was not to be seen.

As the other MPs began threatening to boycott the dinner if the host was not present, Muttemwar stepped in and asked them to wait for some time. Senior bureaucrats, highly embarrassed, also requested him to persuade

ILLUSTRATIONS: ARUNA

the others not to boycott the dinner. Finally, one officer among them telephoned D'Souza and the Minister arrived. It was Muttemwar's sagacity that had saved the day for Chief Minister Digambar Kamat.

Swanky spa nets VVIPs

rahul among amatrra members

IF you are among those chasing Rahul Gandhi in vain, unable to get a meeting, help is at hand. You can meet him if you spend Rs 1,93,000. Whenever he is in Delhi, Rahul visits the Amatrra Spa, at the Ashok Hotel in Chanakyapuri, almost daily. Ashok Hotel leased its recreation facility to builder Ajit Kumar Sood, who tied up with Amatrra to set up the spa in the capital. Not only Rahul, even brother-in-law Robert Vadra spends a lot of time in the VVIPs' spa. So do many young MPs like Manish Tiwari. Naturally, Sood is the happiest man of all since half of the problems are automatically solved because Rahul and Vadra are members of the spa. g

by **Naresh Minocha**

Cellular wars in t

High-intensity crossfire has led to emergency interv e

THE never-ending challenge of managing air waves and conflicting aspirations of fiercely competitive cellular telephone operators is bound to generate sparks. This time it is not just sparks but fireworks that have forced the Prime Minister's Office (PMO) to intervene. And, the fireworks have not been set off by Telecom Minister A Raja but by Telecom Regulatory Authority of India (TRAI).

The statutory regulator stepped on the toes of dominant cellular operators in its efforts to redefine the rules of existing mobile services referred to as second-generation (2G services) in May. Following a media storm kicked up by dominant operators over TRAI's game-changing plan, the PMO decided on June 22 to assign the task of taking a decision on the TRAI recommendations to the existing empowered Group of Ministers on 3G, chaired by Finance Minister Pranab Mukherjee.

The dominant operators that control the GSM technology-based cellular lobby platform, Cellular Operators Association of India (COAI), are leaving no stone unturned to derail the TRAI recommendations. These operators, including Airtel, Vodafone and Idea, led COAI into suspending the voting rights of Tata Teleservices Limited (TTL) and other new entrants in the GSM cellular mobile space.

Tata Teleservices has accused dominant operators of scuttling rational pricing of the 2G spectrum.

TTL has accused dominant operators of trying to prevent rational pricing of 2G spectrum and thus prevent fair competition. In a scathing letter dated July 12, attacking COAI's operations, TTL has resigned from the association and reserved its right to take appropriate legal action. The industry is abuzz with speculation that other new entrants will quit COAI and float a new association.

Meanwhile, Raja has shown the PMO the rule book to have a say in settling the unfolding corporate war over pricing and allocation of 2G radio frequencies and the underlying revenue scam. On July 1, Raja reportedly put on record his stance that the Full Telecom Commission should first take a call on the TRAI recommendations. The Commission, comprising Secretaries of key economic Ministries, should be aided by an in-house committee of the Department of Telecommunications (DoT), he is said to have insisted. Subsequently, on July 7, DoT constituted a nine-member committee under the chairmanship of the TC Member (Technology) to process the TRAI recommendations and industry representations thereon.

TRAI has recommended levy of one-time fee for additional 2G spectrum allotted by the government to dominant players over and above the contractual obligations. The proposed fee should be linked to the recently discovered market price for 3G, a recommendation that has been opposed tooth and nail by dominant operators. TRAI has also recommended

SHARAD SAXENA

NTP is actually the survival kit for Raja (above), who has been under attack for doling out licences at 2001 prices.

jettisoning of discretionary criterion for allotment of additional spectrum with auction. It wants the government to delink licensing with allotment of spectrum. At present, the initial allotment of 4.2 Mega Hertz (MHz) comes bundled with the entry or licence fee. This can later be enhanced to 6.2 MHz.

No 2G service provider or applicant has thus ever paid a separate one-time upfront fee for spectrum. This fee is different from annual spectrum charges that all users of radio frequencies are required to pay.

The licensing agreement does not explicitly provide for allocation of excess spectrum above this ceiling. It, however, gives the government enough elbow

tensify

v ention by the PM's office

PIB

The task of taking a decision on TRAI recommendations is with the group on 3G, chaired by Mukherjee (above).

room to exercise its discretionary powers to go on granting additional spectrum to its favoured ones. The government never thought of putting an end to this practice and allocating additional spectrum to aspiring entrants to catalyse competition or to just auctioning such frequencies to established players. The recommendations of official committees on reforms in the area of allocation and pricing of 2G spectrum were allowed to gather dust in Sanchar Bhavan.

Another TRAI recommendation that would give a deadly blow to dominant players envisages taking away of excess spectrum from operators at the time of renewal. The recommendation reads: "While renewing the licence, the Government should assign spectrum only up to the prescribed limit or the amount of spectrum assigned by it to the licensee before the renewal, whichever is less. Spectrum assigned by the Government to the licensee in excess of the Prescribed Limit shall be withdrawn. The spectrum will be assigned at the current price, duly adjusted to the year of renewal."

In its comprehensive recommendations titled 'Spectrum Management and Licensing Framework', TRAI says: "The Authority is conscious of a concern that assignment of spectrum beyond 4.4 to 6.2 MHz is likely to be perceived as resulting in loss of revenue to the Government, particularly in the context of the current price of spectrum. At the same time, the licence conditions stipulate the contracted spectrum. Besides, several incumbent operators have received spectrum beyond the contracted limits free of cost and have benefited from the same over several years. The Authority would like the Government to take a well considered decision in this regard keeping all factors in view."

The TRAI recommendations threaten to rock the cozy relationship between dominant operators and powers that be.

The government would find it difficult to bail out dominant operators from the game-changing plan of TRAI because it would find it hard to defend double standards – one for 2G and the other for 3G. For the first time, it decoupled licence fee and spectrum charges in the recent ascending e-auction for 3G and broadband wireless access (BWA) that fetched Rs 106, 262 crore revenue.

The 3G-BWA auction thus marked a complete policy shift from administrative pricing of radio frequencies as in 2G to market pricing, which in effect, means maximization of the government's non-tax revenue from the sale of spectrum. The exorbitant prices for radio frequencies would obviously make 3G and BWA services a costly proposition for both service providers and consumers.

The policy shift has happened without making any formal amendments to the National Telecom Policy (NTP), 1999.

The NTP is actually the survival kit for Raja, who has been under attack for the past two years for doling out an all-telecom services permit named Unified Access Service Licence (UASL) to several companies at the 2001 price instead of organizing a bidding competition to discover the highest price and thus enhance accruals to the national exchequer. The companies paid a fee of Rs 1,650 crore, which was the pan-India fee discovered through bidding competition for the fourth cellular licence in all telecom circles in 2001.

Raja has put up the following defence: "The other contentious issues as well as major policy changes proposed such as revising the structure of UASL and delinking of spectrum, etc as suggested by TRAI, will have to be taken at the level of E-GOM or Cabinet, since those decisions were taken earlier by the Cabinet under NTP '99."

Policy or no policy, the brief history of India's mobile telecom revolution is replete with instances of revenue forgo and losses at different times subject to pulls and pressures of corporate lobbies. The revenue losses have occurred through post-tender policy and regulatory changes: repeated reductions in the licence fee, release of additional spectrum to influential players without bidding competition and extension of validity of the licence period.

The country's mobile telephone revolution is outrageously tarnished by the blatant foul play, fickle and messy governance, policy and regulatory manipulations by wheeler-dealers, crony capitalism, webs of litigations, and, last but not least, periodic shifts and swings in the government's priorities. g

DARKNESS

Does the Supreme Court ban on brain mapping and n

by **Col R Hariharan**

A half-naked man is hung upside down and a police officer is beating him with an iron rod. Though this typical movie scene is often over-dramatized, it is not far from the truth. The police regularly uses violence and torture to extract "confessions" from suspects despite knowing full well it is illegal. They have even evolved "special techniques" to ensure the bodily damage is not visible. Even as I write, a TV news channel is telecasting live the scene of a policeman beating a 75-year-old suspected thief hung upside down from a tree.

The use of violent methods, including torture and deprivation, has always been accepted by society as an inevitable part of interrogation. The lack of professionalism among law enforcers and interrogators is the main reason. In South Asia, the callousness associated with increasing politicization of crime is also responsible. Politicization is throttling both the rule of law and the administration of criminal justice, and allowing criminals to operate beyond the pale of law. In the process of foisting guilt on an innocent person, torture becomes a handy tool to obtain a "confession".

However, law enforcement and intelligence agencies have to get at the facts rather than relying on "confessions" to bust crime and defuse security threats. So, not all interrogation depends on torture. Investigative bodies regularly use physical and mental stress induced in the subject to gain cooperation.

After carrying out a few hundred intelligence interrogations in both war and peacetime, I have found violence an overrated instrument of interrogation. Often, it is counterproductive because the suspect, in fear of pain, agrees to sign on the dotted line.

The suspect or prisoner is in shock at the time of his arrest or captivity. And the fear of the unknown is his enemy during

ARUNA

After carrying out a few hundred intelligence interrogations in both war and peacetime, I have found violence an overrated instrument of interrogation.

AT NOON

narcoanalysis deny interrogators scientific tools?

interrogation. I have found that leveraging this fear rather than using violence can yield quick results.

The methods that leverage fear have a number of variations – from taking the suspect to a dummy burial ground (created with mounds of earth) and asking him to dig his own grave before he is buried alive to what Lt Col Oreste Pinto (the Dutch counterintelligence officer of "Spy Catcher" of World War II fame) practised. To create bonhomie, he offered the suspect plenty of beer but did not allow him to use a toilet. I once tried it out on a Pakistani Lt Col and it worked beautifully! But there are limitations in using such interrogation methods. They are not torture in the classical sense but, as psychological torture, are equally condemned by human rights activists now.

SO it has become common for investigative agencies like the CBI to use modern forensic tools like brain mapping (Brain Electrical Activation Profile), the polygraph (popularly known as the lie detector test), and narcoanalysis as aids to interrogation of suspects. Though these tests may not yield 100 per cent accurate results, they do provide useful pointers in gathering vital evidence.

However, the Abu Ghraib prison scandal, when US intelligence personnel subjected Iraqi prisoners to physical and psychological torture and degradation in 2004, raised a furore worldwide. As a fallout, the CIA's use of questionable physical and psychological methods came under legislative scrutiny. Its political impact was demonstrated in the 2004 US presidential poll. It also triggered a revision of the CIA's interrogation techniques.

Thereafter, this issue has been taken up by human rights activists everywhere. Even the traditional physical and psychological stress methods like sleep deprivation, restricted diet and solitary confinement are now becoming passé. So it was not surprising when India's Supreme Court recently ruled that compulsory brain mapping, polygraph tests and narcoanalysis violated Articles 20(3) and 21 of the Constitution.

Article 20(3) says: "No person accused of any offence shall be compelled to be a witness against himself" while Article 21 guarantees that no person shall be deprived of his life or personal liberty except under the procedure established by law. The court has held that a person's right to make a statement or remain silent involves the exercise of the right to privacy.

These tests have been challenged in court in the past. In a 2006 judgement, the Madras High Court held that subjecting an accused to narcoanalysis is not tantamount to testimony by compulsion. In 2004, the Bombay High Court had ruled in the Telgi multicrore-rupee fake stamp paper case that subjecting an accused to tests like narcoanalysis does not violate the fundamental right against self-incrimination.

However, now the three-member Supreme Court Bench rejected the argument of "compelling public interest", especially against terror suspects, as reason enough for employing these tests.

The Supreme Court order is in conformity with the increasing awareness of human rights and humanitarian concerns worldwide. This awareness is overtaking national security imperatives in handling and interrogation of prisoners and suspects.

CBI Director Ashwani Kumar has called the Supreme Court verdict a setback for forensic science. In a media interview, he agreed with the verdict on the intrusive nature of narcoanalysis but suggested that Parliament be persuaded to allow non-intrusive tests such as polygraph tests and brain mapping.

His point is valid. Unless we use all the available forensic tools in crime investigation, law enforcement will not be able to perform at its best. The fat cats of the criminal world will get away and the politico-criminal nexus will only grow. National security could run the risk of compromise.

The interrogation process is becoming a minefield of sorts for the interrogator. On the one hand, he has to extract information from a suspect unwilling to part with it while, on the other, he has to be wary of legal restrictions that deny him modern tools to fulfil his task.

Undoubtedly, the interrogation methods of law enforcement agencies have to be brought within the ambit of legality. A methodology has to be evolved that will be fair to the interests of the state without curtailing the individual's basic rights. Knowing our system, it might be years before such changes are put into practice. In the meanwhile, if the interrogator is prevented from using scientific aids how does he successfully conduct an interrogation?

I am glad I am retired now. g

(The writer is a retired Military Intelligence specialist on South Asia, and associated with the South Asia Analysis Group and the Chennai Centre for China Studies.)

No easy escape

The Union Government has decided to act tough against IAS and IPS officers of the joint AGMUT cadre who resist transfer to tough areas

by **Naresh Minocha**

THERE are now stringent new guidelines for transfer and posting of officials of the cadre that cater to Arunachal Pradesh, Goa, Mizoram , the UTs, Andaman & Nicobar (A&N) Islands, Chandigarh, Daman and Diu, Dadra and Nagar Haveli, Delhi, Lakshadweep and Puducherry.

These States and UTs are classified into three categories: A – Delhi; B – "Soft" areas comprising Goa, Chandigarh, Puducherry, Daman and Diu, and Dadra and Nagar Haveli; and C – comprising Arunachal Pradesh, Mizoram, Andaman and Nicobar Islands, and Lakshadweep.

Listing disincentives, the six-page policy says: "An officer would not be considered for promotion to the pay scales above the Senior-time scale unless he/she has completed the allotted tenure as per policy."

The Union Ministry of Personnel, Public Grievances and Pensions (MPPGP) would also not consider any official for Central deputation, training course or assignment abroad, or study leave of any kind unless he/she has served for at least three years in Category C areas. This may, however, be downgraded to two years in case of IAS/IPS officials in super time scale/IGP grade.

The guidelines also intend to tag officials who seek revisions in transfer orders on health grounds.

The guidelines say that "Medical certificate furnished by an officer in order to seek his transfer or cancellation of transfer on medical grounds would be placed in his ACR (Annual Confidential Report) dossier and a note to that effect will be made in the column relating to State of Health in the ACR of the relevant period."

ARUNA

Medical certificate would be placed in his ACR and a note will be made relating to state of health of the relevant period.

The MPPGP has decided that transfer orders, once issued after due consideration, will be strictly enforced. "Disciplinary action may be initiated against those officers who bring extraneous pressures for cancellation of the transfer orders. Moreover, in each case, a record shall be kept in the ACR dossier of the officer concerned to this effect."

The government hopes the revised norms will ensure that no unit serviced by the cadres remains starved of cadre officers and that the responsibility of serving in places outside Delhi and in both "hard" and "soft" areas is shared among the officers equitably.

The revision in the guidelines was necessitated by the fact that the ordered movement of some officers from Delhi/soft areas to hard areas tendered to remain unimplemented.This affected movement of officers from hard areas to Delhi on completion of tenure.

Transfer orders of officers to Delhi, especially those promoted to IAS/IPS belonging to home segment, Arunachal Pradesh and Mizoram remained unimplemented or implemented after a considerable lapse of time.

The revised guidelines have also factored in recent developments such as cadre review of both IAS and IPS.

Under the new transfer policy, the posting of Chief Secretary and Administrator and the seniormost police officer in the State and UT may be decided with the approval of the Home Minister.

Transfer, posting of the officers may be decided at the level of Home Secretary except in the case of junior officers, whose transfer and posting may be decided by the Joint Secretary (UT).

A list of officers in each scale may be prepared on the basis of the total period spent in and outside Delhi in Category 'B' and 'C' States/UTs and those who have completed the least tenures in hard areas. Most of those in Delhi should be transferred first to the outlying units.

Officers' whose retirement is due within two years may not be posted in the outlying segments. However, at the request of the officer, his transfer to an outlying constituent may be permitted even on the verge of retirement.

The revised policy stipulates: "An officer functioning as Resident Commissioner and based in Delhi for every administrative duty of the constituent Government would be treated as if he is on a Delhi posting."g

Ring-side view

Commonwealth Games' coverage will see use of the high definition format for the first time in India

by **Abhilaksh Likhi**

DOORDARSHAN, the host broadcaster for the Delhi Commonwealth Games (3-14 October, 2010), will be responsible for producing and distributing objective and unbiased television and radio coverage of the event. For the first time in India, the coverage will be in the high definition format conducive to superior viewing quality on television. The coverage will constitute the basic international live feed for the Right Holding Broadcasters who have purchased the broadcast rights from the Commonwealth Games Federation and the Organizing Committee, Delhi 2010, to beam it in their respective countries. The Games are to be telecast in over 80 Commonwealth and non-Commonwealth countries to a targeted worldwide audience of approximately two billion viewers. Doordarshan and All India Radio are the Right Holding Broadcasters for India.

About 1,600 personnel will produce approximately 1,200 hours of live competition transmitted from 12 competition venues. The basic live feed generated by the host broadcaster includes camera signals and audio signals supplemented by graphics generated at each venue as well as the coverage of the opening and closing ceremonies. Typically, a static multi-camera video signal and the audio commentary from the sporting venue will first be carried to a broadcast compound in the venue. From the latter, the signal will travel through optical fibres to the International Broadcasting Centre (IBC).

PIB

Queen's baton: destination Delhi

The IBC comprises about 8,000 square metres of broadcast facilities, edit suites, control rooms, studios, transmission capabilities, information and logistics offices.

The IBC will be the headquarters for all television and radio broadcast operation during the Games, serving as the primary base for the host broadcast and the Right Holding Broadcasters. The IBC comprises more than 8,000 square metres of broadcast facilities, video edit suites, control rooms, studios, transmission capabilities, and information and logistics offices. The host broadcast signal will be available to the Right Holding Broadcasters in their unilateral areas in the IBC. In addition, they can also send their radio and television signals to their home countries through the IBC.

Besides the basic live feed generated by the Host Broadcaster, electronic news gathering (ENG) will be a means for summarizing highlight packages about the Games after suitable editing. Further, radio frequency cameras, helicams and robocams will be deployed for outdoor events such as road races.

The on-venue result system coupled with the graphic design elements will provide a consistent and informative source of event information to the viewer as also enabling the commentary teams to perform their tasks accurately.

The broadcast production and coverage is aimed at uncompromisingly fair and equal coverage of each competitor and event. It entails insightful and informed storytelling through appropriate shot selection and replay options. The tight expressive coverage of each athletic performance combined with multiple action perspectives, both live and replay, will be supplemented by highlighted audio nuances that are intrinsic to the sport. Finally, clear and informative graphic presentation is to be matched with enhancement of the athlete's speed, strength and emotion inherent to the competition.

It goes without saying that the broadcast operation for the Delhi Games will be an experience par excellence in the public-private partnership mode that will involve diverse stakeholders. From host broadcaster Doordarshan's service providers, SIS Live, a former BBC company, and Global Television, Australia, to the Organizing Committee's telecom provider, MTNL, ensuring seamless operations to engage viewers, both abroad and within India, will indeed be a challenging task. g

The writer is Additional Director General (Broadcasting) in the Organizing Committee, Commonwealth Games 2010.

Governance Grumbles—a

Kvetching literally means grumbling, finding fault, whining and complaining. Research by Universities like Cornell has concluded that "complaining fosters a social bond within a peer group stuck in the same leaky boat". The content of the complaint is not as important as the joy of complaining because it provides "breathing space within an occasionally suffocating culture". This one-act play captures the archetypal kvetching that goes on within bureaucracy and Ministerhood.

(The characters mentioned in the play are imaginary.)

Act I Scene I:

Starring in order of appearance:

Joint Secretary: Suresh Sinha
Joint Secretary: Ravi Mishra
Joint Secretary: Madhulika Bannerji
Peon: Brahmpal

Room of Joint Secretary Suresh Sinha in the Ministry of Power.

(Joint Secretary Sinha walks over from the desk to the coffee table where Joint Secretary Mishra is opening his tiffin carrier.)

Joint Secretary Sinha: *Yaar*, this Ministry is a real pain. My batchmate in the Health Ministry is eternally in Geneva. In Power we guys hardly get a chance to step out—whatever opportunity comes is grabbed by those techies.

Joint Secretary Mishra: My wife wants me to lose 5 kg. So she has packed me *kheera* and *gajar* once again for lunch. But I'm not very hungry. I ate two huge *samosa*s in the Central Electricity Authority meeting today. They serve such unhealthy snacks at *sarkari* meetings, *yaar*. In the private sector they get doughnuts and cappuccino coffee. I am told they even have gyms for workouts.

(Enter the third Joint Secretary, Madhulika Bannerji, wearing an ethnic chic sari and a big bindi *and* kajal.)

Joint Secretary Sinha: Hi, Madhu, you're looking pretty stunning today. What's up?

Joint Secretary Bannerji: What rubbish! *(Adjusts her* pallu *and pats her hair.) Suno*, guys, I am so mad at the Secretary. He has sent my keen type Director for the third foreign trip in six months. Whenever my file goes with a foreign trip proposal, he turns it down saying that I am indispensable here. Real MCP.

Joint Secretary Mishra: Yeah, he is so unpredictable. One day he grins at you and asks about the family and the very next day he freezes when you walk in.

Joint Secretary Bannerji: I think he's trying to become the Chief Electricity Regulation Commissioner when he retires. I heard him on the RAX. He was saying that he was the most qualified but the grapevine says the *Mantri* is gunning for him because he turned that Bimbani contract into a real spin. He even squealed to PMO and CVC as *peshbandi*.

Joint Secretary Mishra: Madhulika, you really talk too much. If the Secretary gets to hear you, you've had it.

Joint Secretary Bannerji: Why should I be scared? Although the Secretary is a pain, I'm on his side if he stopped all that *gadbad*.

(A peon enters, carrying three glasses of water.)

Joint Secretary Sinha: *Yaar*, Brahmpal, *mere liye dosa lana*. Now I say, *jaldi*!

Peon Brahmpal: *Sa'ab, canteen band ho gaya. Kela ya amrood la doon?*

(Phone rings and Joint Secretary Sinha shuffles from the sofa back to the desk.)

Joint Secretary Sinha: Hello! Yes, sir. No, sir. I will bring it now, sir. No. No. Rightaway, sir. I am on the way, sir.

(Puts down the intercom receiver, walks back and continues dialogue.)

This Additional Secretary is a real so-and-so. Ever since he got promoted he has become so bumptious. I used to know him so well when we were both JSs. He has changed completely ever since. Just because he wants to impress the Secretary at the 3 pm meeting, he is demanding a briefing just now from me. I'm famished, *yaar*.

(Sinha grabs a cucumber slice from Mishra's tiffin carrier and eats it hungrily.)

Joint Secretary Bannerji: But then why were you sucking up to him so much? You should have told him that you had not eaten lunch. On the one hand you crib about him and on the other you really pander to his demands.

Joint Secretary Mishra: Sinha, *yaar*, don't listen to her. You had better go. Madhulika's ACR will be written after one year. Yours will be written by the Additional Secretary in two months.

—a one-act play in Hinglish in three scenes

You'd better keep the AS on the right side.

(Joint Secretary Sinha staggers out of the room carrying a big file, his spectacles hanging on his chest, a notepad and a pen in the other hand, the straps of his sandals remaining undone because of the hurry.)

Joint Secretary Bannerji: You guys are such down and out careerists. I think there is more to life than becoming an Additional Secretary. Forever looking over your shoulder. I believe in calling a spade a spade.

Joint Secretary Mishra: It's okay for you to spout all this, Madhu, because you have at least 10 years to go before you are considered for becoming AS. Sinha can't afford to take any more chances, Madhu. Don't *bhadkao* him. He'll get even more disheartened. His last ACR last year was just "Very Good". Between us, he's already sunk.

Joint Secretary Bannerji: But, Ravi, there is such a thing as self-respect. Why couldn't he just say he hadn't had lunch? He's got to stand up for his rights. ACRs cannot supersede your health.

Joint Secretary Mishra: Don't be daft, Madhu. It sounds as though he puts lunch before the Additional Secretary. That will finish him for good. Grow up, kid!

Joint Secretary Bannerji: Ravi, don't you start getting patronizing with me. My mood is bad already. This place sucks, *yaar.* Everyone here sucks.

Act I Scene II

Starring in order of appearance:
Secretary, Power: Padmanabhan
Secretary, Development Commission: Ramanathan

(Secretary Padmanabhan is sitting at his desk, telephone receiver to his ear. On the other side of an invisible screen is Secretary Ramanathan, also on the telephone. The two Secretaries exchange notes while sipping tea. A red light is on in both chambers, indicating that the Secretaries are busy with important matters of state.)

Secretary Padmanabhan: Hi, Ramu. How are things in Development Commission? I'm so tired of all my Joint Secretaries in this Ministry. I don't know how people become JSs these days. They can't write two sentences straight and are always sniffing around for foreign trips without doing a stroke of work. Give even one of them anything less than an "outstanding" chit and they go howling all over the place. Give me a good Director any day.

Secretary Ramanathan: You are right, Paddu. But at least you get the better lot in your Ministry. Most of mine in the Commision can't see the big picture. But they are preferable to those all-knowing armchair experts who keep pontificating all day. They have never seen a district leave alone knowing how a State government functions. And these guys actually decide how the country should be run. I am long past taking *"Marg Darshan"* from them.

Secretary Padmanabhan: Yeah, I agree. My *chhota mantri* in Power wants to be in Foreign Affairs next time around. Generation of power just does not interest him leave alone any talk of transmission lines. He can't tell a Megawatt from MVA and thinks that a supercritical power plant is like an ICU. He is desperate for a change in the next reshuffle. He has been walking on air ever since he heard that the *chhota* Foreign Minister is being sent as Governor.

Secretary Ramanathan: By the way, what happened to your becoming Chairman of the Electricity Regulatory outfit?

Secretary Padmanabhan: I think the Bimbanis have done me in. They have gone around saying that the Secretary is inflexible. You will have to set me up as Member, Energy in the Development Commission after I retire. They will need someone to look after that in the Commission.

Secretary Ramanathan: I wish such things were in my hands, my friend. But I'll give it a shot, Paddu, for old time's sake. You can return the favour when I retire after a year. And, by the way, don't forget that your *Mantri* can do a lot for you. Keep on his right side. The real powers that be have a huge soft spot for him. Old boys plus *bachcha* network. Deadly combination, man.

Secretary Padmanabhan: I did not know that, Ramu. Thanks for the tip-off. I'd better call off now. That eager beaver Additional Secretary has been *jhankoing* in twice already. He is just panting to replace me when I retire. What example is he setting to those poor youngsters? The old values have disappeared completely.

Act I Scene III

Starring in order of appearance:
Minister for Power
Minister for Industry
Secretary Padmanabhan
(Dept of Power)

(The Minister for Power and the Minister for Industry are sitting on a sofa, chatting. They both wear white kurta-pyjamas. Both Ministers are very young. Minister for Power wears designer sunglasses and Minister for Industry has spiked hair.)

Minister for Power: PM is very happy with the power sector's performance. He said so himself. But the trouble with this sector is that it is too national. I've not been able to do a thing for my constituency – there are no schemes or projects at the district level. And the officers are so dull and unimaginative. My Secretary works like a Manager. Always bringing sheets of paper with big fat graphs to show how something extraordinary has been pulled off. The guy has no political sense. When my constituency visitors are sitting around he gives them the cool ignore. If it weren't for the PSUs doing all that CSR stuff I'd be sunk.

Good thing he is retiring soon.

Minister for Industry: I'm new to this *Mahan Bharat Sarkar* business. All I can say is that these officers cram up all those figures and then throw around all that jargon and statistics at briefings. They see ghosts of corruption everywhere. The latest alibi they have now is this awful RTI thing. One would think they are paid only to find ways of scuttling everything that comes from the *Mantri*. But were the Cabinet Secretary to tell them even once, they will turn somersaults. It's all the fault of the bureaucracy, I say. India has not improved because of these blokes.

Minister for Power: You know, I would rather have my Additional Secretary as the Secretary. He is down-to-earth and understands political compulsions thoroughly. What is the basis for posting officers? I have three Joint Secretaries who have been here even before I joined. They're nice people but I think they have been terrorized by the Secretary. And as for that big *bindi* woman Joint Secretary, she would have been so much better off in Tourism or Culture, even Women and Child Development. It's impossible to talk once she gets started. If such women become Secretaries they will be a disaster. But who can say this? The whole *nari* brigade in Parliament will gang up and shout the place down and make a ruckus on TV too.

Minister for Industry: There will be a reshuffle soon. The grapevine has it that you are going to get a promotion, might even land up in the Foreign Ministry. Good for you. You will have much more visibility there. Everything is so civilized in MEA. The only bad part is that you won't be able to do anything for your constituency there either. And if you think your big *bindi* woman JS talks too much, you haven't heard the Foreign Service varieties – both men and women. They can really stretch a five-minute briefing for five hours. Anyway, I'm leaving for the US tonight for Modernization of Fast Developing Countries Conference. I'd better go now.

(Exit Minister for Industry, talking into a gadget stuck to his ear while holding a mobile phone in each hand, both ringing simultaneously.)

Enter Secretary Padmanabhan: Good evening, sir. *Namaskar*, sir, *vannakam*, sir.

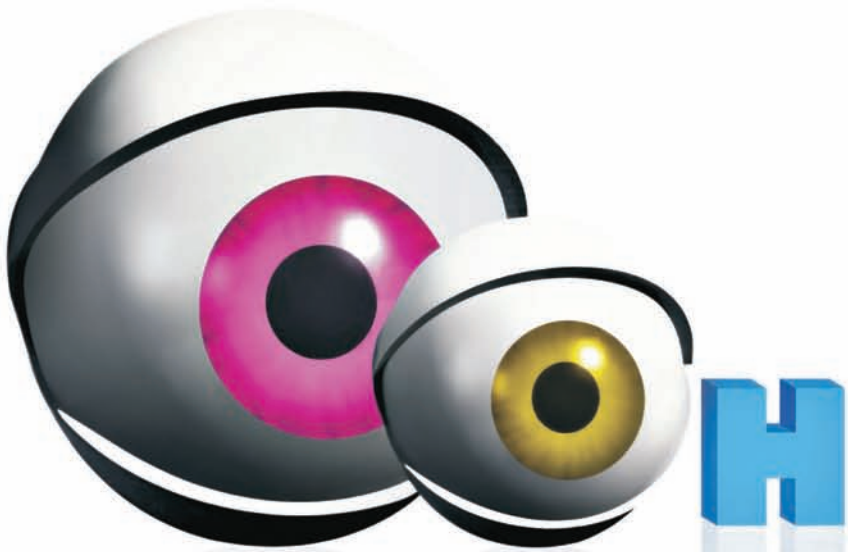
Congratulations, sir. Did you know there is this great *gfiles* magazine, sir? It's all about the bureaucracy. In the latest issue I have with me here they have rated how bureaucrats rank the Ministers. Sir, you have been rated as Numero Uno, sir. Congratulations, sir! You can show this magazine to the PM, sir. And this is really something huge because *gfiles* is really the last word on the subject.You deserve the number 1 ranking, sir. It's all your vision for 2121, sir.

(Getting up to go, Secretary Padmanabhan stands up as if to go and suddenly sits down again.)

By the way, sir, I was going to mention that I am due to retire at the end of the month, sir. I don't have to say anything more to you, sir. You have always been my benefactor, sir.

Minister for Power: Of course I'll do what I can. By the way, that Sunil Bimbani industrialist met me the other day about his power plant in Bimnagar. What's the problem with his case? You are such a good manager, sort it out.

Secretary Padmanabhan: *Bilkul*, sir. It'll be done, sir. It's a small thing, sir. *Aur koi mere layak sewa*, sir? And don't forget to show the PM the *gfiles* article, sir. By the way, I've got the National Power Corporation to set up an amusement park in your constituency as a part of CSR. Every child will remember you forever, sir. g



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'We are the only company to have improved the bottom-line while all others suffered losses'

The past year has witnessed several significant developments taking place in the helicopter services of the country and the man who has been at the forefront of ushering in these multiple and innovative changes is RK Tyagi, Chairman and Managing Director (CMD), Pawan Hans Helicopter Ltd, the state-owned helicopter service. Starting his career as a geophysicist with ONGC in 1976 before taking over as Pawan Hans chief in 2007, Tyagi has been instrumental in taking the helicopter industry in general and his organization in particular on a newer trajectory of growth. Excerpts from an interview by **Sheshank Anand** *and* **Kh Manglembi Devi***:*

gfiles: *What milestones have you achieved so far in the development plan for Pawan Hans?*

RK Tyagi: We were mandated to add 20 helicopters to our fleet in the fifth plan for our organization. Considering that, we are already on target in the current plan. In addition to meeting this target, we have taken several new initiatives not envisaged in the plan, such as setting up of the National Helicopter Academy and the National Institute of Aviation Safety, besides setting up several heliports and helipads all over the country, thereby exceeding our fifth plan mandate.

gfiles: *What is your perspective on the safety aspect of helicopter flying in India?*

RKT: See, historically speaking, helicopter flying has not been regarded in India as a very safe mode of transportation in view of helicopter accidents taking place every now and then. As per our analysis, for operating more than 268 helicopters, there are just 55 operators besides five top operators who share among themselves about 80 helicopters. In the given situation, an average of 3-4 helicopters fall within one operator's kitty, while some of them operate only 1-2 helicopters. Now, when you have just one or two helicopters under your command, you cannot have the benefit of a maintenance and/or quality assurance organization. And, even as a pilot, you do not have the support of a check pilot as also an instructor. Such deficiencies and handicaps were vividly brought to light in the report related to the tragic helicopter crash that killed YSR, the popular CM of Andhra Pradesh. This spurred us to create the National Institute of Aviation Safety and Services, which will act as a one-window answer to any problem faced by the helicopter industry.

gfiles: *What are the main bottlenecks to the growth of helicopter industry in India?*

RKT: One is the regulatory framework, which, of course, is being strengthened now. As I told you, helicopter corridors have been defined already for Delhi and Mumbai. The second is related to the infrastructural issues, like if helicopters have to fly, they need places to land — helipads and heliports. Till recently, we hardly had any heliports or helipads in the country, so that is a vital area where we are concentrating. Our goal is to see that, in the coming years, helicopter flying takes a quantum leap.

'Till recently, we hardly had any heliports or helipads in the country, so our goal is to see that, in coming years, helicopter flying takes a quantum leap.'

gfiles: *Don't you think helicopter operations need to be subsidized by the government as they entail great cost?*

RKT: If you look at the fixed wing rates, helicopter flying will be 4 to 8 times costlier than fixed wing operations, but what about the cost of not having it? Likewise, in law and order situations, if you are able to move the security forces quickly, there are better chances to control and maintain law and order in the disturbed areas. In fact, the argument for having or not having helicopters resembles what applies to the fire brigade, where the cost of having it is not that important as the cost of not having it. Further, without the availability of an efficient helicopter facility, people would not be able to reach the airports to catch their flights in time, and they are the people who have the capacity to pay for a helicopter to take them to the airport. Today, do people feel safe or comfortable travelling by road when they carry lots of money?

RAJEEV DABRAL

Tyagi (left) and helipad for Vaishno Devi: high-gear operations

They prefer to travel by helicopter, irrespective of the price they have to pay, and the same is true of those many people visiting the shrines of Vaishno Devi, Badrinath, Kedarnath, and Amarnath by helicopter.

gfiles: *What is the relevance of helicopter services in a poor country like India?*

RKT: If a sick person doesn't get treatment in time, for lack of a quick mode of transport like a helicopter, either he may breathe his last or live with a disability for life. Is the cost of helicopter travel more important than a human life? See, if you are really fantasizing that by 2015 India will become the third largest economy of the world, then helicopter connectivity must be there at the top of your chart of priorities. For, without a heavily subsidized helicopter service available to the people, the dream of rapid economic growth would not become a concrete reality. Look at China which is lavishly investing in helicopters and is planning to raise the strength of its fleet from 180 to 1800 helicopters.

gfiles: *What is the utilization of Pawan Hans Helicopters for different sectors?*

RKT: Basically, one-third of our fleet is supporting the offshore oil operations; another one-third is supporting island transportation in Andaman-Nicobar and Lakshwadeep islands, together with transportation in the Northeast. The rest is supporting pilgrim operations. In fact, with 37 helicopters in its kitty, Pawan Hans must be accounting for more than 40 per cent helicopter flying in the country.

gfiles: *How many shuttles are used for transportation of personnel to offshore platforms, for flights between drill barges, and for tourist and VIP travel, etc?*

RKT: As I told you, in the northern region, we are mostly functioning onland, as we cater to about 50,000 plus guests in a year. Then, on a typical day, say, about 700 guests bound for Vaishno Devi, Amarnath, etc, which rises to a thousand on a good day.

gfiles: *With so many private players coming up like TATA, there must be encroachment on scarce human capital required for the industry.*

'If a sick person doesn't get treatment in time for lack of a quick mode of transport like a helicopter, either he may breathe his last or live with a disability for life.'

RKT: In the last three years, Pawan Hans has strengthened its position by inducting more than 70 pilots. Today, the situation is that pilots who deserted us 5 to 10 years back are returning to us because of better service conditions at Pawan Hans, such as adequate job security and so on. And the issue is not competition but the lack of discipline in the industry. For, in helicopter flying, two things are most important — safety of the operations and the dispatch reliability which we have maintained all through these years. Pawan Hans is the only company which has improved its bottom-line in the last three years while almost every other company has suffered losses.

gfiles: *There was a suggestion that Pawan Hans be disinvested or made a subsidiary of ONGC....*

RKT: We are already in the process of becoming a Mini Ratna, having qualified for all the parameters except that we don't have independent directors on our board. Once we have them, we will qualify for the coveted slot. To obtain the required funds, disinvestment is one of the options we are contemplating. We might go to the public with an Initial Public Offer (IPO) by the year-end, once Pawan Hans becomes a Mini Ratna company. g

PIB

'Goa is all for clean tourism'

In June 2007, following the Goa Assembly elections, Digambar Kamat got the nod from the Congress high command for the Chief Minister's post. His clean image, combined with an uncontroversial past and result-oriented performance, caught the fancy of party leaders in New Delhi. However, his government had to steer through rough weather and the first inkling of political turbulence hit in the maiden session of the Assembly.

Uncertainty loomed for an agonizing 10 days before the government was saved. Similar incidents were witnessed in 2008 and 2009. And, while the world was according a warm welcome to 2010, Goa watched a bizarre political drama unfold whereby the government's survival and legitimacy were challenged by a bunch of disgruntled elements. Despite these four coup attempts, Kamat appears firmly in place. **Anil Tyagi** *chats with the politician who has been an MLA for 15 years, a Cabinet Minister for seven and Chief Minister for the past three.*

gfiles: *What was the first problem you encountered after assuming office?*

Digambar Kamat: It came in the form of popular resistance to the proposals of Special Economic Zones. Eighteen SEZs were approved for Goa and three were notified by the Centre. However, Goans did not want them. There was a general fear that earmarking vast tracts of land for industrial purpose in a state of just about 3,707 sq km would pose a serious threat to agriculture, orchards and water resources apart from creating environmental hazards. Besides, socio-economic issues due to large-scale migration were also feared.

gfiles: *But new industries would have eased the unemployment situation in the State?*

DK: Certainly. But there were fears that job opportunities would result in influx of job-seekers from outside the State. For this reason locals began to oppose mega housing projects in their localities. They were worried that a swelling tide of settlers from outside would result in their total sway over local elected bodies, rendering the sons of the soil hapless bystanders. We have to consider the size of our state when such large projects are considered. Goa's smallness is both a strength as well as a challenge.

gfiles: *What was your response to the situation?*

DK: I had to settle the SEZ issue first. I met Kamal Nath, the Union Minister for Industry, to give him the right perspective on the issue. He ensured that the SEZ proposals for Goa were stopped. My government also withdrew its SEZ policy.

gfiles: *And what did you do in the case of the mega projects?*

DK: These projects actually come under the purview of the local bodies and the State government has a very minor role. If projects are initiated after obtaining due permission from panchayats and municipal councils, there is no logic in opposing them thereafter. However, it is for the local bodies to take appropriate decisions. In this regard we have initiated formulation of the Regional Plan 2021 and input of all local bodies has been obtained.

gfiles: *What steps did you initiate for decentralization of power?*

DK: We are looking into providing more scope to the zilla panchayats through more funds and enhancing their mandate. We are in the process of forming a new *taluka* to attend to the demands of our brethren living in remote areas. Our party had promised creation of a separate *taluka*. We have kept the promise, thus taking the administration to the doorstep of the common man.

gfiles: *Goa is perceived as an advanced state, given its per capita income, infant mortality, literacy rate. Over 25 lakh tourists visit the State annually. However, the famed Goan hospitality seems to have taken a beating following cases of misbe-*

'Goa has been getting several awards as a State on the path of prosperity and development. I wish to maintain that.'

haviour with foreign guests.

DK: But these were rare and infrequent occurrences. They were blown out of proportion. Goa is a safe tourist destination. You just quoted the figure, 25 lakh, the quantum of visitors to our small State. Though we cannot provide individual security to all our guests, certain effective measures have been initiated. I would like them to have a good time here. Goa is all for clean tourism. We assure total safety and security.

gfiles: *Are drugs available in Goa?*

DK: I cannot rule out clandestine trade in spite of our best efforts. We have expressed our resolve to counter the menace. We have not spared even our own police.

gfiles: *Goa is about to complete 50 years of liberation. You are lucky to lead the State in this hour of glory. How do you assess the journey of the past 50 years?*

DK: We have achieved a lot. But there is still a lot to be achieved. We have directed our energies to reaching our goals. We have excelled in education, public health, industry, law and order. But we should not be self-contented. For the past three years in a row, Goa has been getting several awards as a State on the path of prosperity and development. I wish to maintain that. Fortunately, the Central government has been receptive and sympathetic to Goa's needs. Prime Minister Manmohan Singh, Finance Minister Pranab Mukherjee, Home Minister P Chidambaram, Planning Commission Vice-Chairman Montek Singh Ahluwalia have all been kind to Goa. Our State has a special place in the heart of UPA Chairperson Sonia Gandhi. Goa has always been high on the Congress agenda. Pandit Nehru liberated us from the Portuguese yoke. Indira Gandhi gave us the only opinion poll in Indian history, ensuring that Goans could decide their own future. Rajiv Gandhi gave us Statehood. PV Narasimha Rao gave Konkani its rightful place in the Eighth Schedule.

gfiles: *How do you envisage the Goa of the future? And how do you plan to realize it?*

DK: Well, 100 per cent literacy ratio, not one individual below the poverty line, a network of good roads, electricity and water supply reaching every nook and corner of the State, zero unemployment, prompt public health services. This is the Goa of my dreams. But mere provision of amenities cannot ensure an ideal state. There has to be sustained refinement in the field of education, arts and other areas of human excellence. In the past, Goan artistes had to go to neighbouring States to earn a living and make a name. Today they get due recognition here. IFFI has sown the seeds of film culture in this tiny State. The proposed international airport will yield further avenues of development and prosperity. A supportive and encouraging Goan populace will help us achieve the dream of a buoyant and prosperous state. g

baleshwar rai

PHOTOS: RAJEEV DABRAL

I'M a self-made person from a rural background. I never had any feeling of inferiority during my time in the services. One advantage of my background is that I have the feel of the *aam aadmi*. I remained in touch with my area's people throughout my career. I helped them at every opportunity, whether in the field of education, medical facilities, admissions, employment. In Ghazipur, in any village, people might not have seen me but they know me by name.

I belong to Ghazipur district in eastern UP, and was born and brought up in a village called Dharani. Both my parents were illiterate. My father, a farmer, is 92 years old. I belong to a family of Bhumihars, the Brahmin community known for ploughing fields. I schooled till Class VIII in my village. I did high school and Intermediate from a nearby village, Malsa. I passed Intermediate with a first division and was only the second first divisioner since the school opened in 1942.

Thereafter I joined Allahabad University and did my PG in ancient history, culture and archaeology in 1964. I became a lecturer in ancient history in Allahabad Degree College. After two years I moved to the university and remained there for two-and-a-half years.

I got married in 1966 when I was a lecturer, and became a father while appearing for the IAS.

Then I was selected for the IPS in 1968 but could not join the same year. In November 1969, I was allocated to the CBI. I had already appeared for the IAS before joining CBI while I was doing my police training in Mount Abu. I joined the IAS in 1970, and was allocated to the UT cadre.

I had never heard of the IAS until I passed Intermediate. When I was in the hostel in Allahabad University, every year four or five candidates appeared for the IAS, and I thought I could also compete, they were not superior to me. In the teaching profession I got a lot of time to prepare for the IAS exam. I had qualified for the provincial civil services also but did not go for the interview. My friends and colleagues said joining the IPS would give me a better chance of selection in the IAS and it was true.

I was quite low in position in the IAS exam but during the two years' training I improved by 40 positions in both academic and extra-curricular activities. I came first in horse riding and got the Director's medal. I did my district train-

I made Chandigarh jhuggi-free. I think it was the first time that a city was jhuggi-free.

'I had never heard of the IAS'

The farmer's son who rose to the highest echelons of the civil service recalls a career spanning 36 years

ing in Gorakhpur, UP. During the training period I was appointed City Magistrate, Gorakhpur, with full-fledged charge, for six months. It's very rare, usually during training they are called Joint Magistrate with some additional charges.

My first posting was as SDM, Punjabi Bagh, Delhi, in July 1972. Srinivasan was Deputy Commissioner. He was shifted because of riots at Shahdara within two months or so of my joining and Vijai Kapoor was appointed DM, Delhi.

There was no Chief Minister; an Executive Council used to run Delhi. Vijay Kumar Malhotra was the Chief Executive, AN Jha was Lt Governor and TN Chaturvedi was Chief Secretary.

Then I was promoted to the senior scale and moved to Mizoram, spending two years as Deputy Commissioner, and the rest as Secretary, Supply & Transport. Mizoram was affected by underground MNF activities. During my tenure the IG, DIG and two SPs were killed at the headquarters. The Lt Governor was attacked and he left the post. But this was the most satisfactory part of my career.

Elections were held and Brig Sailo became Chief Minister. The first request the new government made was that Baleshwar Rai, Deputy Commissioner, Lunglei District, should be retained although my transfer order had come. The Lt Governor, NP Mathur, agreed to extend my tenure by a year. In spite of problems regarding my children's education, I agreed to stay on because of the love and affection of the people and the spirit of the new government.

From Mizoram, I came to Delhi as ADM. When I was about to join, the Police Commissioner system was introduced. So the Chief Secretary and Lt Governor thought my services could be utilized elsewhere. I was appointed Director of Vigilance, Government of Delhi. After 10 months I became Secretary of Education. I was the youngest Director of Education in Delhi. I joined in January 1979, and continued for two years.

I was then given charge as MD, Delhi State Civil Supply Corporation for a year. It was a new corporation running on paper. I set it up, made it functional, its revenue and turnover increased from Rs 1 crore to Rs 14 crore in less than a year. Then I became Deputy Secretary in the Home Ministry and was in charge of the UT division, UT Services. TN Chaturvedi was Home Secretary. I was there for about five years, during which I went to Cambridge University for a post-graduate diploma in development management for a year. I was recalled to the Delhi government. Vijai Kapoor was Commissioner, MCD and he got me posted as Additional Commissioner, Water Supply Undertaking over 1986-90.

THE 40 MGD Wazirabad plant, the 100 MGD Hyderpur Plant, the 100 MGD Bhagirathi plant were all constructed and commissioned during that period. I also conceived the 140 MGD Sonia Vihar plant and the 40 MGD Nangloi plant. Vijai Kapoor used to tell us that anyone who could handle the job of a Deputy Commissioner or Additional Commissioner in the MGD could handle any assignment. Any problem relating to water has to be solved immediately.

During that period there was a cholera outbreak in the trans-Yamuna area, Prime Minister Rajiv Gandhi visited those areas and specified that work must be completed within a week. He did a review after a week. I attended the meeting with the Commissioner, PP Chauhan. There was a lot of questioning by the officers and Lt Governor. The Chief Secretary and Commissioner, MCD were shifted, the VC, DDA was suspended, the Lt Governor's service was terminated, a Chief Engineer of MCD and two DDA Chief Engineers were also suspended. No heads rolled in the Water Supply Undertaking. I was questioned for 10

minutes by Rajiv Gandhi. Whatever tasks he had ordered were complete, and where it had not been done it was because of the DDA. The DDA had not completed the water line that was commissioned.

After that, Rajiv Gandhi would call me. We did extensive work. The work which could not be done in three years was completed in three months. I visited every site even at midnight.

AFTER this I was moved to Chandigarh as Administrator and stayed there for about three-and-a-half years (1990-93). Those were difficult times because of terrorism. Every other day, there were killings. The Director, AIR was killed. Chandra Shekhar was PM, and he called the Governor, Chief Secretary, and me and said, "I can't tolerate this happening in the capital city. They can dictate that nobody can speak Hindi. This should not be repeated. Whatever you require will be provided but I want Chandigarh terrorist-free." We did it, within a month.

I made Chandigarh *jhuggi*-free. It was the first time that a city was *jhuggi*-free. Chandigarh Medical College was constructed. Sukna lake was desilted.

Then I joined NDMC in three avatars. First as Administrator, then under a new Act as Special Officer having all the powers until the Council was reconstituted, and then as the first Chairman of the reconstituted NDMC.

I was made CMD, Delhi Financial Corporation, for a very short period. Then I was appointed Commissioner, Sales Tax for a year. Sahib Singh Verma became CM and he shifted me to the newly set up Delhi Jal Board. In the year I spent there, I saw three CMs – Verma, Sushma Swaraj, and Sheila Dikshit (the CM is the Chairman of the Board).

Next I became Joint Secretary, Ministry of Power. Kumar Mangalam was Power Minister. After two-and-a-half years I became Chief Secretary, Goa. One day the Home Secretary called me, saying the Goa CM wanted me there. At the time there was political uncertainty, every six months the government changed and, correspondingly, the Chief Secretary. But I headed there and remained there for two years. Then the NDA government was formed at the Centre and Sahib Singh Verma became Labour Minister. He picked me to be Additional Secretary in his Ministry. I must thank him for his very affectionate treatment of me. He made me Chairman of the Central Provident Fund Commission and of the ISI Committee – a post usually held by the Minister himself.

I was also Special Secretary in the Ministry of Labour. Then I became Secretary, Government of India in the Ministry of Home Affairs and was in charge of the Department of Official Languages. After that I was Secretary, Coordination and Public Grievances, in the Cabinet Secretariat. BK Chaturvedi was the Cabinet Secretary.

The 40 MGD Wazirabad plant, the 100 MGD Hyderpur Plant, the 100 MGD Bhagirathi plant were constructed and commissioned during that period.

Out of 36 years of service, I spent 27 years in Delhi and worked in almost all departments and corporations.

Each State has its own problems and peculiarity. Delhi's administration is very mature and high-level. All the Central government's Ministries and departments, the VVIPs and most sensitive assignments are here. As Chairman, NDMC, you are exposed daily to VVIPs. I did a good job. Although people try to malign me, I came out scratch-free.

Sheila Dikshit is administratively mature. She knows how to handle people, politicians and bureaucrats.

I left my mark wherever I worked. My two years in Goa saw no controversies. When I was Secretary, Power, Goa became power-surplus and started selling power. I must thank the then state Power Minister, Digambar Kamat (now Goa CM) for his cooperation.

After retirement Sheila Dikshit appointed me Chairman, Public Grievances Commission, in the Delhi government for two years. I oversaw the working of all the departments, including the police. The number of complaints has increased three-fold and disposal has increased equally.

I remain in touch and frequently visit the places where I worked, sometimes staying for a month or two. Now I'm doing some social work also. I have opened schools in my village. We have targeted five districts in eastern UP, Ghazipur, Mhow, Gorakhpur, Ballia, and Kushinagar for providing micro finance. We have set up a private bank, Ishara Finance Company, for rural development. The Chairman is JLN Srivastava, my classmate, who is also retired from the IAS. Our recovery is more than 95 per cent and banks are quite willing to give us loans. g

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From the Editor-in-Chief

IN all my years as a journalist, the rare occasion when the Indian public seemed united in applauding the choice of a person for high office was the selection of Manmohan Singh as Prime Minister by the Congress party. I doubt that most people who hailed this pick did so because of any elaborate study, leave alone perusal, of the good doctor's resume. Even a cursory glance at his curriculum vitae is enough to convince anybody that, as far as cr ...More

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THE DAY OF THE FIXER...IT'S THE SHELF LIFE, STUPID!

THE fixer has become a fixture in the shadowy world of Indian governance. Even though this unique position finds no mention in the official lexicography of India's polity, it has come to occupy an institutionalized status in the affairs of state. The individual occupants, however, have a shelf life. While they are needed, they are larger than life, more powerful than politicians, more omniscient than bureaucrats. Through hannels u ...More

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FIRST, RIGHT TO CHILDHO

The Central and State government have to be involved in making the RTE Act work

by COL R HARIHARAN

HIGH expectations have been kindled with t of the Right of Children to Free and Compulsor Act, 2009 from April this year. Education description of it as "a momentous step forward in our 100-year struggle for universalizing elementary education" summed up the hype built around it. Only, ...More

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DEFENCE | Production & Procurement

The regulatory RIGMAROLE

A jumble of rules and restraints stymie private initiatives to modernize the armed forces

by NARESH MINC

IN May 2001, when defence sector 100 per cent private investment and 26 per cent in direct investment (FDI), it could hardly have visualized that teething troubles would persist for so long. Yet, even today, private companies aspiring for a foothold in the defence sector face a number of obstacles. The foremost problem is that they h

Justice with integrity

Oscar Wilde, w declared his s to a customs officer, SH

A JUDGMENT delivered last year in a case concerning the popular word-game of Scrabble perhaps best illustrates the astuteness of the intellect of Sarosh Homi Kapadia, recently appointed Chief Justice of India. The manufacturer of Scrabble had sought tax exemption on the plea that the product was a puzzle and not a game. Kapadi ...More

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INSIDE THE GOVERNMENT

Go for the short term, avoid risky stocks

I HAVE a word of caution for those willing to join the celebrations for the Sensex's move past 18,000. It is a situation akin to a midnight party where there is free flow of liquor but most of us (small investors) are not taking more than a couple of pegs owing to the fear that we have to drive home any moment. The massive monetary and fiscal stimulus and financial bailouts unleashed post-crisis are yet to see the de-leveraging, especially of the private sector, begin. Before this could happen, we are again witnessing massive re-leveraging of the public sector in advanced economies with all its unintended social consequences. The net effect of all this will result in a global slowdown.

The emerging markets like India, it is said, become attractive due to robust growth prospects coupled with not-so-happy conditions elsewhere. India may therefore continue to attract capital flows with financial markets continuing to head up at least in the short run. The good thing is that a majority of inflows are coming from un-leveraged long-term investors and the leverage amount of even hedge funds is also low. This considerably reduces the risk of sudden and sharp sell-offs that have amply been demonstrated in the recent past with Indian markets not dipping sharply even after the European crisis or flow of other adverse news from abroad.

A problem, however, stems from the fact that with every rise in the Sensex, the voices propagating the decoupling theory get louder and louder. There is no doubt of our economy being largely domestic-centric with unmatched economic growth despite the economic slowdown, but the same may not apply to our financial markets.

Moreover, our dependence on foreign flows have increased rapidly to sustain the growth momentum thanks to our current account deficit of around 3 per cent coupled with slower growth in deposits vis-à-vis growth in demand for credit, consistently high and sticky inflation making our exports less competitive especially due to the fact that the rupee has not depreciated in tandem with the loss of competitiveness due to sustained foreign inflows. This further increases the risk to our markets.

Hence, anything like the double dip recession or European crisis can give enough shocks to our markets with already prevailing high valuations making the risk more real. In addition, there is the slowing pace of earnings growth for corporate India in the coming quarters mainly due to cost pressures including input costs as well as those of rising depreciation and interest costs. Strict enforcement of minimum public float of 25 per cent for all listed companies can make matters worse.

Investors are therefore advised to avoid taking any long-term exposure for the time being and use the high valuations to appropriately reshuffle their portfolios in favour of the stocks of companies that drive their incomes mainly from domestic markets, are cash-rich and offer high dividend yield. At the same time, it would be apt to exit risky stocks, especially with high beta and considerable international exposure.

We are again witnessing massive re-leveraging of the public sector in advanced economies with all its unintended social consequences.

Piramal Glass

(CMP Rs 128)

A GROUP company of the Ajay Piramal-led drugs and healthcare to financial services conglomerate, Piramal Glass is Asia's only and the world's third largest specialty bottle exporter. The company returned from the brink of a bankruptcy caused by huge debt and its bleeding US unit with a combined net profit of Rs 4 crore in FY2010 on net sales of Rs 1,126 crore due to the turnaround in its US subsidiary. It is now aiming at a 10 per cent share of the $2.4 billion global cosmetics and perfumery (C&P) bottle market.

Piramal Glass's net sales increased 8 per cent in the quarter ended March 31, 2010 at Rs 284 crore as compared to Rs 262 crore in the same quarter last year. As a conscious effort, the company is focusing on increasing its share of the high-margin premium segment within the cosmetic and perfumery (C&P) segment. Its operating profit margins have also surged to 23 per cent from 9.6 per cent. It is also shifting capacity from the pharmaceutical division to the C&P segment to improve profitability. Low manufacturing cost and a strong client base will help the company gain market share in the C&P segment. The results for the quarter ending June 2010, to be declared on July 28, will show considerably improved performance due to higher margins led by healthy growth in user industry and lowering interest costs with improved cash flows and no major capex requirements. g

The author has no exposure in the stock recommended in this column. gfiles *does not accept responsibility for investment decisions by readers of this column. Investment-related queries may be sent to gfilesindia@gmail.com with Dr Sood's name in the subject line.*

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IPS officers' birthdays | Aug 16, '10-Sept 15, '10

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For the complete list, see www.gfilesindia.com

TRACKING

For a complete list of appointments & retirements, see ***www.gfilesindia.com***

The following 1977-batch IAS officers have been empanelled to the rank of Secretary in the Government of India:

Uttar Pradesh: DK Mittal, GC Chaturvedi, Shekhar Agrawal, M Haleem Khan, Loretta Mary Vas, PK Sinha, Nita Choudhury, Noor Mohammad

Haryana: Raj Kumar, PK Chaudhary, Manik B Sonawane

Sikkim: Alok Rawat

Manipur-Tripura: Naved Masood, RK Mathur

Kerala: J Jose Cyriac, CV Ananda Bose

Orissa: RN Senapati, NC Vasudevan, Chinmay Basu

Punjab: SS Brar, DS Kalha, Sundaramkrishna

Maharashtra: Subodh Kumar, GB Pradhan, UC Sarangi

Jammu & Kashmir: Parvez Dewan

Andhra Pradesh: Gururkar Sudhir

Karnataka: Sudhir Krishna, DA Coutinho

Assam-Meghalaya: Surajit Mitra, Alok Perti, Sharad Gupta, Jayant M Mauskar

Tamil Nadu: Rakesh Kackar, M Sarangi, Ajay Bhattacharya

Madhya Pradesh: OP Rawat, Vishwapati Trivedi, DRS Chaudhary

UT: PK Tripathi, AK Mathur, Shumsher K Sherrig, JP Singh

Gujarat: Vilasini Ramachandran

Rajasthan: PK Deb, Sangita Gairola

Chhattisgarh: P Joy Oommen

West Bengal: PK Pradhan, AS Lamba

Himachal Pradesh: Ashok Thakur, Sarojini Thakur

SY QURAISHI
The 1971-batch IAS officer of the Haryana cadre is the new Chief Election Commissioner.

S VIJAY KUMAR
The 1976-batch IAS officer of the Himachal Pradesh cadre has been appointed Secretary, Mines in the GOI.

RAJESHWAR K RAO
The 1988-batch IAS officer of the Manipur-Tripura cadre is now Chief Vigilance Officer in the Container Corporation of India Limited (CONCOR).

SANTOSH VAIDYA
The 1998-batch IAS officer of the Union Territory cadre is now Secretary, NDMC.

KP KRISHNAN
The 1983-batch IAS officer of the Karnataka cadre has joined as Secretary, Economic Advisory Council of the PM.

AK CHUGH
The 1974-batch IAS officer of the Jharkhand cadre has been appointed Secretary, Tribal Affairs in the GOI.

RAJEN HABIB KHWAJA
The 1976-batch IAS officer of the Andhra Pradesh cadre has become Secretary, Tourism.

MANBIR SINGH
The 1976-batch IFS officer has been posted as OSD, Economic Relations in the MEA.

SHIV SHANKAR
The Senior Principal Private Secretary in MSME is now Principal Staff Officer.

RAKESH SINGH
The 1978-batch IAS officer of the Punjab cadre is now Additional Secretary, Financial Services (Banking and Insurance).

ASOKE MUKHERJI
The 1978-batch IFS officer has been posted in the MEA as Additional Secretary (PoI and PP&R).

SM KHAN
The 1982-batch IIS officer has become Additional Secretary in the Government of India.

HRUSIKESH PANDA
The 1979-batch IAS officer of the Orissa cadre has been appointed Additional Secretary, Ministry of Panchayati Raj.

ALOK SINHA
The 1986-batch IFS officer has been posted as Joint Secretary in charge of Projects Division.

CHAITANYA PRASAD
The 1990-batch IAS officer of the Bihar cadre is now Joint Secretary, Industrial Policy and Promotion in the Government of India.

PAVAN KAPOOR
The 1990-batch IFS officer has been posted in the MEA as Joint Secretary in charge of SAARC Division.

MAMTA JUNDRA
The 1985-batch IA & AS officer has been appointed Joint Secretary in the Department of Personnel and Training (DoPT).

Moving On: ias officers retiring in August 2010

BIHAR
Ashok Kumar (1974)

GUJARAT
RR Mehta (1997)

KARNATAKA
D Venkateswara Rao (1977)

RAJASTHAN
T Srinivasan (1975)
Sohan Lal (1982)

MADHYA PRADESH
Ivy Miller Chahal (1976)

MANIPUR-TRIPURA
L Gangte (1982)

ORISSA
Tarun Kanti Mishra (1975)

TAMIL NADU
Brijeshwar Singh (1975)

UTTARAKHAND
Subbaroyan Krishnan (1975)

UTTAR PRADESH
Anil Kumar-I (1973)
Dinesh Rai (1974)
Atul Chaturvedi (1974)
Mukesh Mohan Mishra (1993)

WEST BENGAL
DC Chakraborty (1993)
Subir Kumar Bhadra (1993)
Prabir Kumar (1993)
Nikhil Kumar Sahana (1994)
Ranjit Kumar Maity (1994)

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DB VENKATESH VERMA
The 1988-batch IFS officer has joined the MEA as Joint Secretary in charge of Disarmament Division.

PRACHISH KHANNA
The 1996-batch ITS officer has joined as Joint Secretary, UPSC.

SKG RAHTE
The 1990-batch IAS officer of the Jharkhand cadre has been promoted to Joint Secretary, Agriculture and Co-operation.

GSG AYYANGAR
The 1987-batch IAS officer of the Manipur-Tripura cadre is now Joint Secretary (Operations) in the National Intelligence Grid.

BMS RATHORE
The 1982-batch IFS officer of the Madhya Pradesh cadre has been posted as Joint Secretary in the Ministry of Environment & Forest.

RAJINDER BHAGAT
The 1980-batch IFS officer is now in the MEA as Joint Secretary in charge of West Africa Division.

NITIN RAMESH GOKRAN
The 1990-batch IAS officer of the Uttar Pradesh cadre is now Joint Secretary in the Ministry of Road Transport & Highways.

PRABODH SAXENA
The 1990-batch IAS officer of the Himachal Pradesh cadre is now Joint Secretary, Department of Economic Affairs.

BHANU PRATAP SHARMA
The 1981-batch IAS officer of the Bihar cadre is now Joint Secretary, Cabinet Secretariat.

HARSH SHRINGLA
The 1984-batch IFS officer has been shifted from being Joint Secretary of the SAARC Division to UNP Division.

JS DEEPAK
The 1982-batch IAS officer of the Uttar Pradesh cadre is now Joint Secretary in the Department of Commerce.

CBS VENKATARAMANA
The 1981-batch IAS officer of the Andhra Pradesh cadre has become Joint Secretary, Atomic Energy.

RAJEEV SHAHARE
The 1986-batch IFS officer has joined the MEA as Joint Secretary of WANA Division.

SUDHIR GARG
The 1990-batch IAS officer of the Uttar Pradesh cadre has been appointed Joint Secretary in the Department of Water Resources.

KISHAN DEWAL
The 2003-batch IFS officer has been posted in the MEA as Under Secretary in Eurasia Division.

RAJESH SWAMI
The 2003-batch IFS officer has joined the MEA as Under Secretary in the Gulf Division.

ALADIYAN MANICKAM
The Joint Secretary at the MEA has been appointed Ambassador to Finland.

DEVYANI KHOBRAGADE
The 1999-batch IFS officer has joined the MEA as Deputy Secretary in the Finance Division.

AUSUF SAYEED
The Joint Secretary at the MEA has been appointed Ambassador to Yemen.

PRAVEEN VERMA
The Ambassador to Yemen will now be Ambassador to Guatemala.

ASITH KUMAR BHATTACHARJEE
The Joint Secretary in the MEA has been appointed Ambassador to Tajikistan.

G MOHANTY
The 1982-batch IIS officer has become DG, News at All India Radio.

SMITA SHARMA
The 1991-batch IIS officer is now Media Adviser to the Chief Justice of India and Additional Registrar, Supreme Court of India.

RAKESH HOOJA
The 1974-batch IAS officer of the Rajasthan cadre has been appointed Director of Indian Institute of Public Administration (IIPA).

BHARTI DAS
The 1989-batch ICAS officer has been posted as Chief Controller of Accounts in the Ministry of Commerce.

FAIZ AHMED KIDWAI
The 1996-batch IAS officer of the Madhya Pradesh cadre has been promoted to Director in Rashtrapati Bhawan.

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TN babu pays for whistle-blowing

THE proverbial corridors of power of the Secretariat at Fort St George in Chennai exude an unmistakeable sense of depression. The entire Secretariat revolves around a handful of IAS officers. Those who are pliable and succumb to pressure survive, the rest are shown the door. In this scenario, most of them are yesmen of the current ruling family of Kalingar Karunanidhi. His sons, MK Stalin and MK Alagiri, are the be-all and end-all in the Secretariat.

However, one IAS officer, C Umashankar, who was suspended while holding the post of Commissioner, Small Savings, has moved the National Commission for SC/ST, seeking protection from harassment by the Tamil Nadu government, the Chief Minister's family and the powerful Maran brothers. Umashankar has alleged that he was subjected to frequent transfers as he was honest and sincere and worked for the public interest. He provoked the wrath of the powers that be for recommending penal action against the Maran brothers and making public the ETL Infrastructure scam which involves Alagiri and a Central Minister of the DMK. Now, this officer who dared to blow the whistle is appealing to the Commission to save him and his family.

Coorg DC loses his corner office!

THE Deputy Commissioner of Karnataka's picturesque hilly district of Kodagu (still known to the rest of India by its earlier name of Coorg) had set out to be a good samaritan for the tribe of scribes in Madikeri, the headquarters of the tribal district. So Ashwath Narayan Gowda began searching for a plot on which to construct a community hall for journos. Government funds for it had already been sanctioned.

Alas, so did it turn out that, before finding a place for his media friends, he

has now to search for a place for himself and his staff. The district administration has been housed in the historical fort and palace for over a hundred years but the Archaeological Survey of India has now asked the Deputy Commissioner to vacate the premises. The Deputy Commissioner sits on the top floor in the King's Corner. Gowda has endeared himself to the people of the district by his pro-people attitude. The small district with three *taluka*s has many problems, including diminishing rainfall every year.

SEBI chief under fire

THE Chairman of the Securities and Exchange Board of India (SEBI), Chandrashekhar Bhaskar Bhave, is a worried man. He is unable to figure out what went wrong in tackling the ULIP issue with the other regulator, the Insurance Regulatory and Development Authority (IRDA), whose Chairman is J Hari Narayan.

Bhave is in trouble with not only IRDA but also the Ministry of Corporate Affairs and the lobbyists of the mutual fund industry. Insiders feel that Bhave acted well concerning the issues of ULIP, mutual fund and investors' education and protection within his domain. But the big bosses in North Block think otherwise. How dare anyone be bigger than the babus of North Block? They are busy targeting Bhave with all the ammunition at their disposal.

Lalli's days numbered?

A total of 117 files received from Prasar Bharati along with deposition by nine officers in a direct inquiry conducted by the Central Vigilance Commission (CVC) have all sealed the fate of BS Lalli, CEO, Prasar Bharati, who has been stamped "Corrupt" by the agency. The CVC began its probe on September 1, 2009 after orders from Delhi High Court. The preface to its report mentions that Prasar Bharati files were not easy to get hold of. Attempts were made to hold them back on flimsy

ILLUSTRATIONS: ARUNA

grounds. Reminders had to be sent repeatedly for records that were sought – and some were not made available. These were clear attempts at cover-up.

The onus is now on the Chairman of the Prasar Bharati Board, Mrinal Pande. The probe was carried out on the orders of Delhi High Court, which has to be informed of action taken against Lalli. g

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